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ABSTRACT

In February 1993 the Buffalo Financial Plan Commission was asked to conduct a financial and management assessment of the Buffalo (New York) public schools. The effort involved the work of 115 volunteers from 75 businesses and community organizations in the Buffalo area. Thirty-four recommendations were produced, which were expected to yield annual savings generating about $188 million over a 5-year period. This addendum to the main report provides the recommendations in detail. They are grouped into four categories: (1) 11 recommendations for the Instructional Division expected to yield $112.6 million over the period; (2) 6 recommendations for the Finance, Personnel, and Administrative Services Division expected to result in $8.2 million savings; (3) 8 recommendations for the Plant Services and School Planning Division for $21.7 million in savings; and (4) 9 recommendations for Benefits Management generating $46 million in savings over the 5 years. The recommendations center on administrative and benefits cuts and are not expected to reduce instructional expenditures. Appendix A lists members of the Buffalo Financial Plan Commission and its staff, Appendix B summarizes the recommendations, and Appendix C provides a table of average compensation per bargaining unit in the Buffalo schools. (Contains 39 tables.) (SLD)

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Five Year Financial and Management Assessment of the Buffalo Public Schools

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March 1995

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Addendum: Detailed Recommendations

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ADDENDUM: DETAILED RECOMMENDATIONS

The following is an addendum to the Five Year Financial and Management Assessment of the Buffalo Public Schools. It consists of the 34 specific and detailed recommendations of the Buffalo Financial Plan Commission.

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SUMMARY OF RECOMMENDATIONS

The Commission's 34 recommendations are grouped in four categories.

- Instructional Division: Eleven recommendations generating $112.6 million in savings over the five year period.
- Finance, Personnel, and Administrative Services Division: Six recommendations generating $8.2 million in savings over the five year period.
- Plant Services and School Planning Division: Eight recommendations generating $21.7 million in savings over the five year period.
- Benefits Management: Nine recommendations generating $46.0 million in savings over the five year period.

Effective implementation of these recommendations will require improved relationships between BPS management and key constituencies -- the City of Buffalo, the New York State Education Department, the BPS employee unions, and the federal court. Table 1.1 delineates the importance of these relationships, if potential savings are, in fact, to be realized.

TABLE 1.1

CLASSIFICATION OF RECOMMENDED SAVINGS THAT REQUIRE ACTIONS/APPROVAL BY SPECIFIC CONSTITUENCIES

		SAVINGS ($000s)				
CONSTITUENCY	**# of Recommendations**	**95/96**	**96/97**	**97/98**	**98/99**	**99/00**
Board/Administration action (only)	22	$14,146	$15,296	$16,760	$18,292	$18,292
Labor contract agreement required	10	0	24,529	24,529	24,529	24,529
State Ed Dept approval required	1	0	0	0	0	0
Court approval required	1	1,518	1,518	1,518	1,518	1,518
TOTALS	**34**	**$15,664**	**$41,343**	**$42,807**	**$44,339**	**$44,339**

INSTRUCTIONAL DIVISION

Recommendations	Estimated Financial Impact ($000s)					Constituency Involved *			
	95/96	96/97	97/98	98/99	99/00	B	L	S	C
Recommendations with Direct Financial Impact									
1. Reduce the need for up to 33 administrative positions by reengineering the administrative structure.	$2,132	$2,132	$2,132	$2,132	$2,132	x			
2. Reduce expenditures for non-classroom teachers by:									
a) eliminating the need for up to 25 teachers doing primarily administrative work	1,701	1,701	1,701	1,701	1,701	x			
b) eliminating the teacher certification requirement where it is not job-related, and replacing positions with lower paying non-certified titles.	835	835	835	835	835	x			
3. Reduce class size or the need for up to 206 grade 7 to 12 academic subject teachers by requiring an increase in the amount of time per day spent in classroom instruction.	0	12,024	12,024	12,024	12,024		x		
4. Reduce the need for up to 91 teacher aide positions by implementing the Board's plan regarding the number of teacher aides at Early Childhood Centers.	1,518	1,518	1,518	1,518	1,518				x

* Legend:
B = Board and administration actions only required
L = Labor negotiations required
S = NYS State Department of Education approval or variance required
C = Federal Court action/input required

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INSTRUCTIONAL DIVISION - Continued

Recommendations	Estimated Financial Impact ($000s)					Constituency Involved *			
	95/96	96/97	97/98	98/99	99/00	B	L	S	C
5. Avoid additional costs by developing a cost-effective plan to utilize the new Makowski Early Childhood Center.	3,450	3,450	3,450	3,450	3,450	x			
6. Reduce the need for up to 24 non-classroom Special Education positions by streamlining the existing special education evaluation and placement process.	1,510	1,510	1,510	1,510	1,510	x			
7. a) Reduce the cost of Buffalo Alternative High School program - class size/program assessment.	0	1,191	1,191	1,191	1,191		x		
b) Reduce the cost of Buffalo Alternative High School program - locations.	368	368	368	368	368	x			
8. Reduce the cost of Fulton Academic Complex.	438	438	438	438	438	x			
Total Estimated Impact	$11,952	$25,167	$25,167	$25,167	$25,167				

- Legend:

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INSTRUCTIONAL DIVISION - Continued

Recommendations	Estimated Financial Impact ($000s)					Constituency Involved *			
	95/96	96/97	97/98	98/99	99/00	B	L	S	C
Recommendations Related to Management Improvement **									
9. Make administrators below the Associate Superintendent level directly accountable for the financial management of their entities.						x			
10. Improve cost effectiveness of special education programs by implementing district-wide pre-referral intervention programs to decrease the demand for special education services.							x	x	x
11. Establish a Board Academic Evaluation Committee to drive the goal of academic excellence for the BPS.						x			

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** No estimate of financial impact currently possible.

FINANCE, PERSONNEL AND ADMINISTRATIVE SERVICES DIVISION

Recommendations	Estimated Financial Impact ($000s)					Constituency Involved*			
	95/96	96/97	97/98	98/99	99/00	B	L	S	C
Recommendations with Direct Financial Impact									
1. Reduce the need for up to 16 in-house MIS positions by utilizing BOCES computer services.	$(303)	$425	$765	$765	$765	x			
2. Reduce the need for up to 19 positions in payroll, purchasing, and personnel departments by automating manual processes.	572	622	622	622	622	x			
3. Reduce the need for one position and reclassify up to four others by restructuring the Human Resources Functions.	230	230	230	230	230	x			
4. Reduce the need for up to three positions in the evaluation department and transfer the evaluation function to the Instructional Division.	223	223	223	223	223	x			
5. Reduce telecommunications costs by:									
a) purchasing telephone equipment that is currently rented	(222)	154	154	154	154	x			
b) minimizing distance charges on data communications networks	(24)	18	18	18	18	x			

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Recommendations	Estimated Financial Impact ($000s)					Constituency Involved*			
	95/96	96/97	97/98	98/99	99/00	B	L	S	C
c) utilizing telephone auditing service to identify overcharges.**						x			
Total Estimated Impact	**$476**	**$1,672**	**$2,012**	**$2,012**	**$2,012**				
Recommendations Related to Management Improvement **									
6. a) Improve budgeting and long range planning.						x			
b) Improve the quality and timeliness of external reporting.						x			

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** No estimate of financial impact currently possible.

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PLANT SERVICES AND SCHOOL PLANNING DIVISION

Recommendations	Estimated Financial Impact ($000s)					Constituency Involved*			
	95/96	96/97	97/98	98/99	99/00	B	L	S	C
Recommendations with Direct Financial Impact									
1. Reduce the cost of cleaning, maintenance and grounds care to competitive levels.	0	$2,778	$2,778	$2,778	$2,778		x		
2. Relamp school buildings using the lowest cost financing available.	(1,224)	(916)	(607)	925	925	x			
3. Establish a district-wide energy plan and clearly establish responsibility for its implementation.	464	464	464	464	464	x			
4. Implement computer bus routing of school buses allowing for a staff reduction of four positions. Rebid all busing contracts when they expire in 1997.	0	180	995	995	995	x			
5. Eliminate the need for four positions by adjusting the vehicle mechanics' work load and schedules and outsourcing vehicle fueling.	0	136	136	136	136		x		
6. Eliminate the $1.6 million school supply inventory and 18 of 28 positions required to control and deliver the inventory, and replace with a direct vendor to schools supply system.	1,397	647	647	647	647	x			

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PLANT SERVICES AND SCHOOL PLANNING DIVISION - Continued

Recommendations	Estimated Financial Impact ($000s)					Constituency Involved*			
	95/96	96/97	97/98	98/99	99/00	B	L	S	C
7. Replace the boiler in South Park School and eliminate one boilermaker position.	(116)	100	100	100	100	x			
8. Close School 75 (administration building) and eliminate or transfer staff.	232	232	232	232	232	x			
Total Estimated Impact	**$753**	**$3,621**	**$4,745**	**$6,277**	**$6,277**				

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LABOR RELATIONS, COMPENSATION, AND BENEFITS

Recommendations	Estimated Financial Impact ($000s)					Constituency Involved*			
	95/96	96/97	97/98	98/99	99/00	B	L	S	C
Recommendations with Direct Financial Impact									
1. Reduce the cost of health insurance for active employees and future retirees by:									
a) limiting the employer's contribution to 100% of the cost of the least expensive health insurance plan currently available, with employees paying the difference if they elect a more expensive plan	0	$2,735	$2,735	$2,735	$2,735		x		
b) changing the least expensive health insurance plan currently available (Independent Health's Gold Plan) to Independent Health's Silver Plan.	0	4,530	4,530	4,530	4,530		x		
2. Reduce the cost of health insurance by providing an incentive payment to employees who have duplicate coverage under a spouse's policy and waive their right to BPS provided health insurance.	0	790	790	790	790		x		

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LABOR RELATIONS, COMPENSATION, AND BENEFITS - Continued

Recommendations	Estimated Financial Impact ($000s)					Constituency Involved*			
	95/96	96/97	97/98	98/99	99/00	B	L	S	C
3. Reduce employee and employer payroll tax costs by offering employees a new benefit in the form of a flexible medical and dependent care spending reimbursement account.	0	120	120	120	120		x		
4. Eliminate duplicate life and disability insurance coverage.	0	225	225	225	225		x		
5. Reduce the cost of retiree health insurance by eliminating duplicate prescription plan coverage and self insuring the difference in coverage from current policies.	495	495	495	495	495	x			
6. Use Buffalo Teachers Federation union control systems to reduce absenteeism to national norms.	1,694	1,694	1,694	1,694	1,694	x			
7. Decrease the cost of Workers' Compensation claims by ensuring a safer work place, increasing the efficiency of processing claims, and providing incentives for employees to return to work.	294	294	294	294	294	x			
Total Estimated Impact	**$2,483**	**$10,883**	**$10,883**	**$10,883**	**$10,883**				

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LABOR RELATIONS, COMPENSATION, AND BENEFITS - Continued

Recommendations	Estimated Financial Impact ($000s)					Constituency Involved*			
	95/96	96/97	97/98	98/99	99/00	B	L	S	C
Recommendations Related to Management Improvement **									
8. Improve labor relations and reduce the time and money spent on resolving employee grievances.						x			
9. Reduce BPS paid absences due to severe winter weather conditions:									
a) for teachers and other personnel working at school locations							x		
b) for administrative and other personnel working at non-school locations.							x		

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** No estimate of financial impact currently possible.

Division of Instructional Services
Background

The Instructional Services Division (ID) manages the delivery of educational services to the 47,543 students currently enrolled in the BPS district (1994-95 enrollment), as well as those students from private and parochial schools entitled to special education and remedial instruction services from the public school system.

The specific responsibilities of the ID include: 1) The teaching of regular and special education; 2) general administration and improvement of the education process, including supervision of teachers, curriculum development and grants management; and 3) additional pupil services including libraries, guidance counselors, psychological and social worker services and extra-curricular activities, including interscholastic athletic programs.

ID is headed by an Associate Superintendent with six Assistant Superintendents reporting directly to him. In 1994-95, there are 5,820 employees with total salary and benefits costs of $272.5 million. The ID spends an additional $30 million on non-personnel items, including classroom supplies, food service supplies, and tuition for students with special needs who are educated outside the district.

The assessment of the ID focused on the following areas:

- The ID administrative structure: The overall number and cost of people administering this division, their functions, and contribution levels to student education were examined.

- Personnel performing administrative functions but not specifically listed on the organization chart (i.e., "teachers outside the classroom"): For such personnel, the assessment questioned whether these non-classroom positions were needed, and if so, whether or not they needed to be filled by certified teachers as opposed to lower cost civil service employees.

- The efficiency of in-classroom service delivery: The review questioned whether classroom instructors were providing, as efficiently as possible, the services they were being paid to provide. Teacher schedules were reviewed to assess the amount of time spent outside the classroom on a daily basis.

- Special needs programs (i.e., special education, remedial education, attendance improvement programs, teen pregnancy and child care programs): The efficiency of these programs, but not the need or wisdom of providing them, was examined.

The findings indicate that the administrative practices and structure of the ID have become quite cumbersome over time, a product of reacting to issues as they have evolved. The results are an ID organization that appears overly complicated and difficult to follow, with overlapping responsibilities, and with too many administrative layers. The recommendations that follow do much to address these organization issues.

RECOMMENDATIONS WITH DIRECT FINANCIAL IMPACT

1. Reduce the Need for up to 33 Administrative Positions by Reengineering the Administrative Structure.

Finding

There is an administrative staff within the Instructional Services Division whose duties are not directly related to classroom instruction. Their responsibilities include the supervision of elementary, secondary, and special education and all relevant support programs. The BPS organization structure and payroll records indicate there are 295 positions in this classification, with annual salary and fringe benefit expenses totalling $19.6 million. These positions consist of 220 administrators and 75 clerical positions. Principals and assistant principals are included but school clerks are not.

The chain of command is often unclear, not functionally based, and apparently redundant. This is the result of an unnecessarily broad organization structure that includes six Assistant Superintendent positions reporting directly to the Associate Superintendent for Instructional Services. All Assistant Superintendents have additional administrative staff reporting to them, ranging from ten in the Curriculum Development Department to 113 in the Elementary Education Department.

Evidence of the disjointed nature of this organization structure is as follows:

- There is a Staff Development Director who reports directly to the Associate Superintendent, even though staff development is one of the responsibilities of the Assistant Superintendent of Curriculum Development
- There are two principals on "special assignment" who are not working at a school and not performing standard principal duties
- There is an Assistant Superintendent position, whose primary responsibility is the oversight of a Federal Projects grant with a number of administrators reporting to him who appear to be duplicating the efforts of the existing elementary and secondary instruction administrative staff

Recommendations

The school district should develop a functionally structured administrative organization encompassing all levels of non-classroom responsibilities. The new organization structure should be based on a functional concept. The Commission suggests a plan that results in a reduction in the number of Assistant Superintendents from six to four. Only these four Assistant Superintendents would report directly to the Associate Superintendent.

Furthermore, with regard to instructional matters, only the Associate Superintendent for Instructional Services would report directly to the Superintendent.

On a functional basis, it appears reasonable to have Assistant Superintendents for Elementary Education, Secondary Education, and Special Education. A fourth function requiring an Assistant Superintendent to coordinate "all support services" to these three educational components also seems appropriate. Support Services include those areas that overlap the jurisdiction or activity of the elementary, secondary, and special education functions. Grant administration, magnet school recruiting, pupil personnel services, and an evaluation department are the types of responsibility that would belong to an Assistant Superintendent for Support Services. This fourth function should supplement, but not duplicate, the efforts of the other three Assistant Superintendents to provide coordinated services to the core instructional functions, regardless of funding sources.

It is recommended that the functions of the three existing Assistant Superintendents -- integration, public relations, and pupil personnel services; federal projects Chapter I; and curriculum development -- be combined and become the responsibility of a new Assistant Superintendent for Support Services.

The current and recommended organization structures are summarized as follows:

Area	No. of Positions		Increase/(Decrease)	
	Current	Recommended	Positions	Salary Costs/ (Savings)
A. Superintendent *	3	0	(3)	$(192,357)
B. Associate Superintendent for Instruction Services	9	3	(6)	(235,052)
C. Assistant Superintendent for Elementary Education	113	110	(3)	(182,743)
D. Assistant Superintendent for Secondary Education	87	83	(4)	(271,396)
E. Assistant Superintendent for Special Education	35	25	(10)	(447,185)
F. Assistant Superintendent for Support Services	0	40	40	1,665,835
G. Assistant Superintendent for Integration/Public Relations/Pupil Personnel Services	17	0	(17)	(743,784)
H. Assistant Superintendent for Federal Projects - Chapter I	20	0	(20)	(876,468)
I. Assistant Superintendent for Curriculum Development	10	0	(10)	(422,820)
Sub-Total Costs (Savings)	294	261	(33)	(1,705,970)
Fringe Benefits				(426,492)
TOTAL COSTS (SAVINGS)				$(2,132,462)

* **NOTE:** This is not the entire staff of the Superintendent's office. These represent only the three positions with instructional related responsibilities (one principal and two SABA administrators) that report directly to the Superintendent, rather than the Associate Superintendent of Instructional Services.

The specific recommendations to achieve this re-engineered structure are as follows:

	Increase/(Decrease)	
	No. of Positions	Salary Costs
A) Superintendent's Office		
There are currently three instructional related administrative positions reporting directly to the Superintendent. Two should be eliminated and one transferred to the Instructional Division by implementing the following recommendations:		
1) Reduce the need for an elementary principal position by returning to a school the elementary principal who is on "special assignment to the Superintendent" doing recruiting work for magnet programs. The magnet program recruiting work should be done by the existing staff charged with responsibility for integration and magnet school programs, not by an elementary school principal doing out-of-title work.	(1)	$(72,156)
2) Reduce the cost of administering the School and Business Alliance (SABA) program by:		
Reducing the Director salary from $69,901 to $29,300 to reflect the salary that a Civil Service employee doing comparable work would earn.	0	(40,601)
Eliminating the newly created vacant coordinator position.	(1)	(50,300)
Sub-total reductions	**(2)**	**$(163,057)**
Transfer the SABA program from the Superintendent's office to the new Support Services office in the Instructional Division.	(1)	$(29,300)
Sub-total transfers	**(1)**	**$(29,300)**

	Increase/(Decrease)	
	No. of Positions	Salary Costs

The SABA program involves recruiting private companies to invest in schools and matching the recruited business' desire to invest with the needs of particular schools. The Buffalo Alliance for Education (BAE), a private entity separate from the Board of Education, does the recruiting aspect of this program. The school board is responsible for identifying the needs of the schools. There are approximately 15 new business sponsors per year. A certified teacher serving as Director of SABA, with an annual salary of $69,901 per year, and a recently created vacant coordinator position with a salary of $50,300, have been allocated to administer this program. Given the amount of work done by BAE, it is recommended the Board reduce the cost of its Director to the salary that a Civil Service employee doing comparable work would earn (i.e., $29,300) and eliminate the newly created vacant coordinator position.

	No. of Positions	Salary Costs
Sub-Total Superintendent's Office (reductions and transfers)	**(3)**	**$(192,357)**

B) Associate Superintendent for Instructional Services

The Associate Superintendent's office currently has nine employees, including the Associate Superintendent and two clerical support positions, a Director of Instructional Services, a Director of Staff Development, and two clericals supporting each Director. It is recommended that the two Directors and their clerical support be transferred to the Assistant Superintendent for Support Services to establish a chain of command that requires all Directors to report to an Assistant Superintendent and leaves only Assistant Superintendents reporting directly to the Associate Superintendent.

	No. of Positions	Salary Costs
1) Transfer six positions from Associate Superintendent's office to Assistant Superintendent for Support Services.	(6)	$(235,052)
Sub-total Associate Superintendent's Office (transfers)	**(6)**	**$(235,052)**

	Increase/(Decrease)	
	No. of Positions	Salary Costs
C) Assistant Superintendent for Elementary Education		
There are currently 113 administrative positions reporting to the Assistant Superintendent for Elementary Education. This can be reduced to 110 by implementing the following recommendations:		
1) Reduce the need for one Elementary Assistant Principal at Olmsted School. The School has three locations with one Principal and three Assistant Principals. The Assistant Principal at the site where the Principal works is redundant and can be eliminated.	(1)	$(57,674)
2) Reduce the need for two of nine Elementary Supervisors by requiring the remaining seven to be responsible for the 55 elementary schools. The Supervisors' main job is the evaluation of the new and non-tenured teachers. They have little or no contact with the majority of teachers who are experienced and permanent-status, tenured teachers. This change would result in each Supervisor being responsible for evaluating non-tenured teachers at less than two additional schools. Since two of these nine jobs are currently vacant, implementing this recommendation would require existing supervisors only to maintain their present workload.	(2)	(125,069)
Sub-total Elementary Education (reductions)	**(3)**	**$(182,743)**
D) Assistant Superintendent for Secondary Education		
There are currently 87 administrative positions reporting to the Assistant Superintendent for Secondary Education. This can be reduced to 83 positions by implementing the following recommendations:		

	Increase/(Decrease)	
	No. of Positions	Salary Costs
1) Reduce the need for a Secondary Principal by not continuing to use one on special assignment. This "extra" Principal position exists as a result of changes at School 67 which formerly housed grades 3-9 and had an Elementary Principal for grades 3-8 and a Secondary Principal for the 9th grade. The 9th grade has been moved to South Park High School which already has a principal. Instead of eliminating this Secondary Principal position from School 67 or transferring the incumbent to an open principal position at another school, the BPS administration retained the position and put the incumbent on "special assignment" performing non-principal duties.	(1)	$(71,042)
2) Reduce the need for one Director job by combining the existing titles of Director of Physical Education and Director of Health Education. Many of the physical education instructors also teach health education. In fact, there are only nine full time health education teachers working in the entire school system. This is not sufficient justification to employ a $73,773 per year Director of Health Education.	(1)	(73,773)
3) Reduce the need for one Supervisor of Vocational Education by making the supervisor/teacher ratio more comparable to other instructional areas than it currently is. There is a Director and two Supervisors for the 112 vocational education teachers, compared to one Director and no Supervisor for math, social studies, and science. These three subjects have 165, 168, and 179 teachers, respectively.	(1)	(60,663)
4) Reduce the need for one Supervisor title by combining the existing Director of Art Education and Supervisor of Music Education into one position of Director of Fine Arts. There are 170 art and music teachers combined who would report to this new Director. This is equivalent to the number of teachers now reporting to Directors of most other subject areas.	(1)	(65,918)
Sub-total Secondary Education (reductions)	**(4)**	**$(271,396)**

	Increase/(Decrease)	
	No. of Positions	Salary Costs

E) Assistant Superintendent for Special Education

There are currently 35 administrative positions reporting to the Assistant Superintendent for Special Education. This can be reduced to 25 by implementing the following recommendation:

1) Reduce the need for three Directors (avg. salary $68,679), two Supervisors (avg. salary $60,000), and five clerical positions (avg. salary $24,230) under the Assistant Superintendent for Special Education by reorganizing the Special Education Administration on a functional basis. There are currently six Directors and eight Supervisors working within a structure that has little functionally defined responsibility. The structure should be functionally redrawn to include three Directors with clearly defined areas of responsibility. These include Referral and Evaluation, Service Delivery, and Special Projects and Administration. The Director of Referral and Evaluation and the Director of Service Delivery would each have up to three Supervisors, and the Director of Special Projects and Administration would not have any Supervisors reporting to him/her. (10) $(447,185)

Sub-total Special Education (reductions) (10) $(447,185)

F) Assistant Superintendent for Support Services

This new division would be established to consolidate the functions currently being performed by the staffs of three Assistant Superintendents. The one new Assistant Superintendent would be responsible for administering and coordinating all the instructional related services required to support the three basic functions of elementary, secondary, and special education. The Support Services Division would be staffed by creating a new Assistant Superintendent position and transferring the appropriate personnel from existing functions as follows:

	Increase/(Decrease)	
	No. of Positions	Salary Costs
Transfers From:		
Superintendent's Office	1	$ 29,300
Associate Superintendent's Office	6	235,052
Assistant Superintendent for Integration, Public Relations, Pupil Personnel Services	15	630,264
Assistant Superintendent for Federal Projects	8	345,169
Assistant Superintendent for Curriculum	9	350,639
Total Transfers	**39**	**$1,590,424**
Plus New Asst. Superintendent for Support Services	**1**	**75,411**
Sub-total Support Services (new and transfers)	**40**	**$1,665,835**

G) Assistant Superintendent for Integration, Public Relations and Pupil Personnel Services

There are currently 17 administrative positions reporting to this Assistant Superintendent. Costs can be reduced by implementing the following recommendations:

	No. of Positions	Salary Costs
1) Consolidating this function into a new Support Services function allowing for the elimination of the existing Assistant Superintendent title and its supporting stenographer position.	(2)	$(98,182)
2) Establishing one person to be clearly responsible for supervision of the Pupil Services function by changing the current mix of two Directors and four Supervisors to one Director and five Supervisors. The difference between the average salary of a Director and the average salary of a Supervisor in this area is $15,338.	0	(15,338)
Sub-total reductions	**(2)**	**$(113,520)**
3) Transferring the remaining 15 positions to Support Services.	(15)	(630,264)
Sub-total transfers	**(15)**	**$(630,264)**

	Increase/(Decrease)	
	No. of Positions	Salary Costs
Sub-total Integration, Public Relations and Pubic Personnel Services (reductions and transfers)	**(17)**	**$(743,784)**

H) Assistant Superintendent for Federal Projects - Chapter I

There are currently 20 administrative positions reporting to this Assistant Superintendent. Costs can be reduced by implementing the following recommendations:

	No. of Positions	Salary Costs
1) Consolidating this function into a new Support Services function, allowing for the elimination of the existing Assistant Superintendent title and its supporting typist position.	(2)	$(102,723)
2) Creating job titles with more flexible duties that would allow for a broader span of control and eliminating positions with redundant duties or a narrow scope of services. It is recommended that the 18 positions listed below be consolidated into eight positions, including four Supervisors of Support Services and four clerical titles.		
Director Adult Education/State Funded	(1)	$ (74,465)
Supervisor Non-Public Schools	(1)	(62,046)
Supervisor of Mathematics	(1)	(60,049)
Supervisor ESL, Chapter I	(1)	(60,000)
Supervisor of Reading	(1)	(60,905)
Supervisor of Early Push/Teacher Aides	(1)	(61,803)
Supervisor of Pupil Services	(1)	(64,328)
Supervisor of Program Development	(1)	(58,296)
Supervisor Neglected and Delinquent	(1)	(53,652)
Principal Clerk	(1)	(27,398)
Stenographer	(3)	(71,834)
Bilingual Stenographer	(1)	(23,681)
Account Clerk-Typist	(2)	(48,944)
Typist	(2)	(46,344)
Supervisor of Support Services	4	250,169
Account Clerk-Typist	4	95,000
	(10)	(428,576)
Sub-total reductions (1 and 2)	**(12)**	**$(531,299)**

	Increase/(Decrease)	
	No. of Positions	Salary Costs
3) Transferring the eight new or remaining positions to Support Services, reporting to the Director of Curriculum Development. All grant personnel will report to the same Director under this proposal. The job titles to be transferred are:		
Supervisor of Support Services	(4)	$(250,169)
Account Clerk Typist	(4)	(95,000)
Sub-total Transfers	(8)	(345,169)
Sub-total Federal Projects (reductions and transfers)	**(20)**	**$(876,468)**
I) Assistant Superintendent for Curriculum Development		
There are currently ten administrative positions that report to this Assistant Superintendent. Costs can be reduced by implementing the following recommendations:		
1) Consolidating this function into a new Support Services function, allowing for the elimination of the existing Assistant Superintendent position.	(1)	$(72,181)
Sub-total reductions	**(1)**	**$(72,181)**
2) Transferring the clerical support of the Assistant Superintendent for Curriculum Development to the new Assistant Superintendent for Support Services as follows:		
Associate Account Clerk	(1)	$(31,837)
Account Clerk-Typist	(1)	(24,472)
	(2)	**(56,309)**
3) Transferring the remaining titles in Curriculum Development to Support Services as follows:		

	Increase/(Decrease)	
	No. of Positions	Salary Costs
Director of Curriculum Development	(1)	$(64,328)
Director of PSEN/PCEN	(1)	(69,901)
Supervisor of Curriculum Development	(1)	(63,187)
Senior Account Clerk Stenographer	(1)	(27,398)
Typist	(3)	(69,516)
	(7)	(294,330)
Sub-total transfers (2 and 3)	(9)	$(350,639)
Sub-total Curriculum Development (reductions and transfers)	(10)	$(422,820)
Sub-Total for All Departments	(33)	$(1,705,970)
Fringe Benefits		(426,492)
TOTAL SALARY & FRINGE BENEFITS COSTS/ (SAVINGS)		$(2,132,462)

Rationale

This will enable the district to maximize the resources available for classroom instruction by reducing administrative positions.

Estimate of Financial Impact

Implementing these recommendations will result in a reduction in the need for up to 33 positions at an annual savings of $1,705,970 in salaries plus associated fringe benefits of $426,492, for a total annual savings of $2,132,462.

Estimated Savings					
Year	**95/96**	**96/97**	**97/98**	**98/99**	**99/00**
Savings	$2,132,462	$2,132,462	$2,132,462	$2,132,462	$2,132,462

Requirements for Implementation

This recommendation can be implemented completely by the Board and administration of the BPS.

Peer Information

Peer data suggest that Buffalo has more administrators per student than six out of nine big city peers, while the BPS student-to-total-employees ratio appears to be comparable to peers.

TABLE 2.1

BUFFALO FINANCIAL PLAN COMMISSION PEER SCHOOL DISTRICT ADMINISTRATION & EMPLOYEE RATIOS

School District	Students per Instructional Administrator	Students per Employee
Buffalo	205	7.2
Rochester	139	6.5
Syracuse	226	5.7
Cincinnati	248	8.1
Kansas City	211	5.8
Milwaukee	283	6.9
Minneapolis	311	9.3
Pittsburgh	162	7.6
St. Louis	174	7.4
Toledo	241	9.3
Kenmore/Tonawanda	248	6.0
Orchard Park	242	12.1
West Seneca	299	12.4
Williamsville	379	9.7

2. Reduce Expenditures for Non-classroom Teachers by:

a. Eliminating the Need for up to 25 Teachers Doing Primarily Administrative Work
b. Eliminating the Teacher Certification Requirement Where It Is Not Job Related, and Replacing Positions with Lower Paying Non-Certified Titles
c. Realigning Work Schedule for Certain Certified Positions to More Closely Match Work Demand

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Finding

There are 4,025 employees of the Buffalo Public Schools who are members of the Buffalo Teachers Federation union, with 487 of them, or 12%, not engaged in direct classroom instruction. These include:

• 201	staff in general pupil services (i.e., librarians, guidance counselors)
• 126	staff in special needs academic programs (i.e., PCEN coordinators, magnet specialists)
• 129	staff in special education pupil services (i.e., Committee on Special Education staff, psychologists, social workers)
• 31	staff in administrative positions
487	Total staff positions

These non-classroom positions generally follow the same work schedule as classroom teachers and require the incumbent to be a certified teacher, although such certification is sometimes unrelated to the job duties being performed. The Commission focused on three specific areas:

- Certified teachers who are performing primarily administrative duties: These are non-classroom teachers who are assigned administrative/non-teaching duties, such as data processing work. In many cases, these positions duplicate existing management positions.

- Certified teachers who are performing jobs for which a teaching certificate is not required: These are non-classroom teachers who are assigned administrative job duties which are unrelated to teaching, such as grant writing.

- Certified teachers following a classroom teacher's schedule, although work demand is greater: These are non-classroom teachers, primarily in special education, who often are needed on a full-time, year-round basis. The incumbents, however, are required to work only a 6-hour and 50-minute day for ten months of the year. They receive additional pay when they are required to work beyond a classroom teacher's schedule.

Recommendation

The Buffalo Public Schools should reduce the overall number of teachers it needs by returning to the classroom 25 teachers currently being used for administrative purposes. Costs should be reduced further by not requiring certification credentials for 32 positions where certification is irrelevant to the job duties to be performed. Finally, employees not providing classroom instruction should not follow a classroom teacher's work schedule.

Specific recommendations to achieve these objectives are as follows:

a. Eliminate Need for up to 25 Excess Staff Doing Primarily Administrative Work.

	Increase/(Decrease)	
Position Changes	No. of Positions	Salary Costs
1) Reduce the need for teachers by returning to teaching positions eight Administrative Assistants ($422,251) and six Vocational Coordinators ($335,682) at high schools who currently function as confidential aides to principals. Under the current system, the central office assigns an Assistant Principal to a high school when a certain student enrollment level is reached. The Principal has no say in choosing the Assistant Principal, but is allowed to select a teacher to serve as Administrative Assistant, or Vocational Coordinator in the vocational education high schools. The Administrative Assistant/Vocational Coordinator duties are generally redundant with those of the Assistant Principal and sometimes with those of the Principal's secretary. Comparable positions do not exist in the peer districts surveyed. It is recommended that this layer of what is essentially extra Assistant Principals be eliminated.	(14)	$(757,933)
2) Reduce the need for teachers by returning to teaching positions two Vocational Coordinators located at City Hall who currently coordinate the internship program for vocational students. These job duties should be performed by the two remaining Director/Supervisor of Vocational Education positions.	(2)	(117,134)

	Increase/(Decrease)	
Position Changes	No. of Positions	Salary Costs
3) Reduce the need for teachers by returning the four Helping Teachers located at the Buffalo Teacher Resource Center to classroom instruction. The Center is used after school hours to provide professional development opportunities for teachers, but the four Helping Teachers who work there do so during regular school hours and do not provide teacher training. The Commission found no justification to have four teachers pulled from classroom duties for this purpose and believes that returning them to the classroom will save money with no adverse impact on the quality of professional development available to BPS teachers.	(4)	$(206,956)
4) Reduce the need for teachers by returning to the classroom one Coordinator housed at City Hall in the curriculum department. This teacher appears to duplicate the job of Director of Curriculum and Supervisor of Curriculum.	(1)	(54,223)
5) Reduce the need for teachers by returning to teaching two computer teachers assigned full-time to City Hall. These teachers perform numerous computerized functions for the Instructional Division staff. Instructional Division uses its own personnel because it finds that the district's data processing system, operated by the administrative division, cannot produce the information it wants and needs. The BPS should resolve these interdepartmental problems instead of paying teacher salaries for individuals to perform MIS/data processing functions.	(2)	(112,076)
6) Reduce the need for teachers by returning to teaching one Audio Visual Specialist position located at West Hertel Academy. This person provides audio-visual services for Instructional Division meetings, etc. These duties should be transferred to existing non-teacher certified audio visual staff.	(1)	(55,658)

	Increase/(Decrease)	
Position Changes	**No. of Positions**	**Salary Costs**
7) Reduce the need for teachers by returning to teaching one Music Instruction position housed in City Hall. This is an administrative position related to arts in education and the Imagifest, held annually. This is not music instruction, and a teacher should not be pulled from the classroom. This job appears to be a clear overlap of effort with the duties of the Director of Fine Arts.	(1)	$(56,905)
Sub-total Reductions	**(25)**	**$(1,360,885)**
Fringe Benefits		**(340,221)**
TOTAL SALARY & FRINGE BENEFITS COSTS (SAVINGS)		**$(1,701,106)**

Estimate of Financial Impact

Implementing these recommendations will result in a reduction in the need for up to 25 positions at a savings of $1,360,885 in salaries plus associated fringe benefits of $340,221, for a total savings of $1,701,106.

Estimated Savings

Year	**95/96**	**96/97**	**97/98**	**98/99**	**99/00**
Savings	$1,701,106	$1,701,106	$1,701,106	$1,701,106	$1,701,106

b. Eliminate Teacher Certification Requirement Where It Is Not Job Related, and Replace Positions with Lower Paying Non-Certified Titles.

The following positions currently requiring teacher certification should be eliminated and replaced by non-certified positions since training as a teacher is irrelevant to the task now being performed:

Position Changes	Increase/(Decrease) No. of Positions	Increase/(Decrease) Salary Costs
8) Reduce the need for teachers by returning to teaching seven Helping Teachers in the curriculum department who currently act as grant writers, and replace them with non-certified staff. Teaching experience is not required to write grants. The certification requirement should be eliminated and the positions reclassified as civil service jobs. Salary savings of $194,038 can be realized from the difference between the cost of seven Helping Teachers ($404,038) and of non-certified replacements at $30,000 each ($210,000).	7	$(194,038)
9) Reduce the need for teachers by returning to teaching 25 Attendance Teachers and replacing them with lower cost non-certified persons. Teaching experience is not required to be an attendance teacher. Other school districts use non-certified teachers, including retired police officers, in a truant officer role to perform this function. Savings of $474,016 can be realized from the difference between the cost of 25 certified attendance teachers ($1,224,016) and 25 non-certified replacements at $30,000 each ($750,000).	25	(474,016)
Sub-total Reductions	**(32)**	**$(668,054)**
Fringe Benefits		**(167,014)**
TOTAL SALARY & FRINGE BENEFITS COSTS (SAVINGS)		**$(835,068)**

Estimate of Financial Impact

Eliminating Teacher certification requirements for these positions will result in direct financial savings of $668,054 in salaries plus associated fringe benefits of $167,014, for a total savings of $835,068.

Estimated Savings					
Year	**95/96**	**96/97**	**97/98**	**98/99**	**99/00**
Savings	$835,068	$835,068	$835,068	$835,068	$835,068

c. **Realign Work Schedule for Certain Certified Positions to More Closely Match Work Demand.**

Teachers' work schedules have developed around the students' attendance schedules and around the unique duties of working in the classroom. Using teachers in non-teacher roles often does not match work flow with working hours, creating significant inefficiencies and added cost. Also, using teachers for non-teaching functions can drain resources away from the classroom.

BPS needs to recognize the difference between teachers and other professionals who fall under the teachers contract. The following non-classroom positions held by certified teachers should be required to work the schedule of non-certified, full time employees' eight hour work days and, in some cases, 12 months a year. This will enable the employees to be more productive and should reduce district costs. By increasing the length of the work day, the district may be able to reduce the number of employees hired, and/or the number required to work, and receive extra pay, during the summer. After the shift to eight hour days, the district needs to determine how many staff should be hired on a 12-month basis to complete their job duties.

107 Guidance Counselors These certified teachers currently work six hours and 50 minutes per day, ten months per year. These staff members should be required to work eight hours per day to allow maximum time with the students. The additional 70 minutes could be used for required paper work, so that the maximum possible number of school hours can be spent directly with the students. It may be possible to set up additional time for students to meet with their guidance counselors.

129 Non-classroom Special Education Personnel These employees should work an eight-hour day, rather than a 6-hour and 50- minute day. In addition, the district needs to determine how many 12-month employees should be hired to cover any job duties that need to be completed during the summer months. This will be more productive and may reduce the overall salary expense to the district.

Rationale

This recommendation will improve human resources utilization and leave available more resources for the classroom.

Requirements for Implementation

The cost savings identified with these recommendations can be implemented completely by the Board and administration of the BPS.

Peer Information

Elementary students per elementary teacher, secondary students per secondary teacher, and total students per total teachers for the peer school districts are shown below.

TABLE 2.2

BUFFALO FINANCIAL PLAN COMMISSION
PEER SCHOOL DISTRICT INSTRUCTIONAL STAFF RATIOS

School District	Elementary Students per Elementary Teacher	Secondary Students per Secondary Teacher	Students per Total Instructional Staff *
Buffalo	25.3	18.1	9.2
Rochester	19.3	15.6	10.5
Syracuse	16.1	13.1	8.1
Cincinnati	19.7	17.1	11.6
Kansas City	23.3	13.8	12.4
Milwaukee	21.9	35.8	14.2
Minneapolis	19.3	27.1	14.5
Pittsburgh	19.4	12.3	12.6
St. Louis	26.6	19.1	11.4
Toledo	29.5	22.7	14.3
Kenmore/Tonawanda	19.0	18.8	11.1
Orchard Park	18.2	16.9	12.1
West Seneca	22.7	19.1	12.7
Williamsville	22.7	27.2	12.7

* Includes all instructional staff, i.e. teachers, teacher aides, pupil services, and instructional administrators.

3. Reduce Class Size or the Need for up to 206 Grade 7 to 12 Academic Subject Teachers by Requiring an Increase in the Amount of Time per Day Spent in Classroom Instruction.

Finding

By contract, a secondary level academic teacher's daily work schedule cannot exceed six hours and 50 minutes, of which the teacher cannot be required to spend more than five periods in classroom instruction. The remainder of the day consists of: (1) not more than two "extra duty" periods which may include monitoring the cafeteria, the hallways, or a study hall, or doing administrative office work (2) at least one period of "prep" time used at the teacher's discretion to prepare for class, correct homework or quizzes, contact parents, or however else the teacher sees fit, and (3) a 30 to 40 minute lunch break. In comparison, a vocational education teacher has six instructional periods, one extra-duty, one prep period, and a 30 to 40 minute lunch period a day.

The secondary level academic teacher's average daily instructional time of three hours and 20 minutes compares to four hours and six minutes for vocational education teachers.

Summary of Teachers Daily Work Schedules

	Grades 7 - 12 Academic	Vocational Education
Average Length of Period	40 mins.	41 mins.
Number of Classes	5	6
Classroom Instruction	3 hrs. 20 mins.	4 hrs. 6 mins.

There are 1,234 secondary level academic teachers. This teacher work schedule for academic teachers in grades 7-12 has resulted in excess staff being available for the extra duty periods. Accordingly, reducing time spent on extra duty periods would not require hiring monitors or aides to replace teachers.

Recommendation

The Board should negotiate a change in the BTF contract that requires 7th to 12th grade academic teachers to spend an additional period in classroom instruction and allow them to have one less extra duty period. The Board should develop a plan that maximizes the efficiencies available as a result of this change, taking into account desired class sizes, anticipated teacher attrition rates, and optimal class scheduling and locations.

Rationale

This increases the amount of time, within the same length work day, that teachers spend on academic, as opposed to non-academic, duties. Teachers would continue to have a preparation period built into their daily work schedule but would spend 40 minutes less per day on extra duty assignments, such as monitoring the lunch room, and 40 minutes more in classroom instruction.

Estimate of Financial Impact

Implementing this recommendation could result in a 17% class size reduction, or the reduced need for up to 206 teacher positions, by the 1996-97 school year, based on the following assumptions: (1) the contract change becomes effective with the next BTF contract extension on July 1, 1996, (2) there are no changes in class size, and (3) the 20% increase in academic time available will result in the maximum 17% reduction in the number of teachers required to staff the current number of classes taught. Based on the average salary of secondary level academic teachers, these position eliminations would yield annual salary and benefit savings of $12.0 million (206 teachers x $46,694 average salary for secondary level teachers plus $2.4 million fringe benefits).

A combination of class size reduction and salary savings could result from implementing this recommendation.

Estimated Savings					
Year	**95/96**	**96/97**	**97/98**	**98/99**	**99/00**
Savings	-	$12,023,705	$12,023,705	$12,023,705	$12,023,705

Requirements for Implementation

This recommendation requires modification of existing BPS employee labor contracts.

In addition to negotiating a contract revision with BTF and developing a schedule that maximizes efficiency, the Board would need to consider the ambiguous language contained in the State Education Commissioner regulations dated July 31, 1988, page 152.2a, section (i) which reads, "Teaching staff in public schools. The number of daily periods of classroom instruction for a teacher should not exceed five. A school requiring of any teacher more than six teaching periods a day, or a daily teaching level of more than 150 pupils, should be able to justify the deviation from this policy."

Peer Information

Information on classroom hours worked by secondary teachers in the peer school districts is listed below.

TABLE 2.3

PEER SCHOOL DISTRICT ACADEMIC SECONDARY TEACHERS WORK SCHEDULES 1993-94

School District	Days on Duty	Maximum Teaching Periods per Day *	Length of Periods (minutes)	Hours per Week	Total Classroom Hours/Yr
Buffalo **	186	5	40	16.7	620
Rochester	185	5	41	17.1	632
Syracuse	185	5	40	16.7	617
Cincinnati	191	6	50	25.0	955
Kansas City	188	5	40	16.7	627
Milwaukee	187	5	47	19.6	732
Minneapolis	184	5	50	20.8	767
Pittsburgh	192	5	41	17.1	656
St. Louis	189	6	50	25.0	945
Toledo	183	5	55	22.9	839
Kenmore/ Tonawanda	184	5	45	18.8	690
Orchard Park	185	5	43	17.9	663
West Seneca	187	5	43	17.9	670
Williamsville	189	5	43	17.9	677
Average (non-NYS)	188	5	48	21.0	789
Average (all peers)	187	5	45	19.2	721

* Does not include extra duty or preparatory periods.

** If the instructional division recommendation to increase the number of periods taught (without increasing the length of the teachers work day) is implemented, Buffalo academic teachers will increase their actual teaching time to 20.0 hours per week, or 744 hours per year, both below the average for non-NYS peers.

4. Reduce the Need for up to 91 Teacher Aide Positions by Implementing the Board's Plan Regarding the Number of Teacher Aides at Early Childhood Centers.

Finding

In the 1992-93 school year, the BPS developed and began to implement a plan that, in their judgement, would allow for the elimination of 91 teacher aide positions without adversely impacting the quality of education. This plan was challenged in federal court as part of the desegregation lawsuit, and the presiding judge ordered the Board to reinstate the teacher aide positions. In rendering its decision, the court referred to concerns expressed by the parents and teachers at affected schools. The court's decision leaves the Board with the authority to eliminate teachers, but not teacher aides.

The premise of the Board's plan was that the number of aides required could be reduced by rotating aides from one classroom to another to maximize their productivity during the course of the day. This would happen in the Early Childhood Centers (ECC) where a certain amount of time is set aside for the children to rest or nap. The net effect for the children was to have a teacher aide for 70% of the day, instead of a full-time teacher aide for every ECC classroom.

Other primary schools within the BPS system do not have a full-time teacher aide for every classroom. For example, Pre-K through Grade 2 students at non-ECC schools receive approximately 1/2 hour per day of teacher aide time.

Recommendation

The Commission supports the School Board's position on reducing the need for up to 91 teacher aide positions at Early Childhood Centers and recommends that the Board resubmit its plan to the court for approval after more clearly addressing the concerns of parents and teachers at the affected schools.

Rationale

In the Board's judgement, this plan provides a cost savings without adversely affecting the quality of education or the city-wide desegregation program.

Estimate of Financial Impact

Assuming court approval is received to become effective at the start of the 1995-96 school year, implementation of the Board plan would result in savings of $1,517,880 per year. ($16,680 average salary and fringe benefits x 91 teacher aides)

Estimated Savings					
Year	**95/96**	**96/97**	**97/98**	**98/99**	**99/00**
Savings	$1,517,880	$1,517,880	$1,517,880	$1,517,880	$1,517,880

Requirements for Implementation

This recommendation requires formal approval from the federal courts.

Peer Information

The number of students per teacher aide in the peer school districts is listed below.

TABLE 2.4

BUFFALO FINANCIAL PLAN COMMISSION
PEER SCHOOL DISTRICT STUDENT/TEACHER AIDE

School District	Students per Teacher Aide
Buffalo	40
Rochester	50
Syracuse	28
Cincinnati	54
Kansas City	59
Milwaukee	81
Minneapolis	182
Pittsburgh	88
St. Louis	96
Toledo	107
Kenmore/Tonawanda	96
Orchard Park	104
West Seneca	220
Williamsville	46

5. Avoid Additional Costs by Developing a Cost Effective Plan to Utilize the New Makowski Early Childhood Center.

Finding

A new school, the Stanley Makowski Early Childhood Center, is scheduled to open in September 1995. This facility can accommodate approximately 1,200 students and provides the ability to consolidate students from a number of present sites, both owned and leased, into a new, centralized, and modern facility. Under this approach, the cost of the new facility would be substantially offset by the cost reductions from closing existing facilities. The Board of Education, however, is considering other more costly alternatives. For example, some of the options under consideration would require hiring additional staff, rather than transferring staff from existing facilities, increasing transportation costs and foregoing the opportunity to eliminate utility and maintenance costs at currently used sites. The estimated incremental cost of this alternative is $3,450,000.

Recommendation

The Board should implement the alternative which consolidates students and staff from existing facilities and minimizes incremental costs. In the future, facility implementation plans should be completed in the pre-construction planning phase. The costs of alternative utilization plans should be considered in the cost justification of new facilities.

Rationale

The availability of this facility should be viewed as an opportunity to transfer existing programs into an improved site without increasing staffing needs, and to reduce or eliminate current costs associated with leased or owned locations.

Estimate of Financial Impact

Operation of this new facility, as proposed, could result in additional staff and significant incremental transportation costs. The total incremental cost is estimated to be as high as $3.45 million.

Estimated Savings (Future Cost Avoidance)					
Year	**95/96**	**96/97**	**97/98**	**98/99**	**99/00**
Savings	$3,450,000	$3,450,000	$3,450,000	$3,450,000	$3,450,000

Requirements for Implementation

This recommendation can be implemented completely by the Board and administration of the BPS.

Peer Information

Not applicable.

6. Reduce the Need for Up to 24 Non-classroom Special Education Positions by Streamlining the Existing Special Education Evaluation Process.

Finding

The evaluation and placement process for students referred into Special Education results in substantial inefficiencies because of the number of times a student's file is handed off among evaluating personnel. Each student's file goes through the intake office, then to a Pupil Service Center (PSC) coordinator, and is eventually dispersed for evaluation, which can include a number of special education professionals. Once a student is classified into special education, the file is passed along to the placement office, where the type of program to which a student will be assigned, is made by staff (all of whom are certified teachers) previously uninvolved with that student's evaluation process. A District Committee on Special Education (DCSE) also has been formed to repeat the entire evaluation process in the event a parent appeals the Committee on Special Education (CSE) outcome. DCSE participating evaluators are different from those performing any initial evaluation. The total annual salary and fringe benefit cost of the individuals involved in this evaluation and placement process is $9.0 million.

Also, as a result of the number of times the student's file is transferred from one evaluator to another, there is no single individual within the evaluation and placement process who retains ultimate responsibility for that student, including his/her evaluation, subsequent re-evaluations, and progress within the special education system.

Recommendation

The special education evaluation and placement process should be streamlined. The objectives of the streamlined process will be to eliminate steps in the process which provide little or no incremental value to the student and which more efficiently manages each student's file as it moves through the process.

The following specific process changes are recommended:

- ○ Eliminate the nine PSC coordinators. This position provides a redundant layer of administration between the special education supervisors and the evaluators.

- Implement a case manager concept. The assignment of one evaluating professional to manage each student's initial and all subsequent evaluations will have a number of benefits:
  - The case manager will be most familiar with the student's needs and, accordingly, should be able to expedite the evaluation process.
  - Knowledge of the student and his/her needs will enable the case manager to most efficiently and effectively coordinate placement. The need for the five current placement coordinators could, therefore, be eliminated.
  - The case manager will be in a better position to include the student's parents in the process, thereby lessening the number of parent appeals and, hence, the need for ten DCSE positions.

The Commission recommends that the case manager role be filled by the current group of educational specialists and psychologists, since their role already requires one-on-one contact with the student. Appeals should be handled by CSE personnel not involved in the student's initial placement decision.

In an effort to facilitate the case manager's work load, the Commission recommends that other process improvements be considered. Potential improvements are:

- Allow case managers to require existing special education teachers (including resource room teachers) to deliver the education testing component of the evaluation process.
- Utilize substitute teachers to either cover for full-time teachers on periodic testing days or to administer tests themselves.
- Consider group achievement testing.
- Competitively bid out certain psychological evaluations.
- Utilize para-professionals to administer tests, where prudent.

Rationale

There are numerous layers within the special education evaluation process which add no apparent value to the quality of the evaluation, add no value to the quality of a student's education, and result in multiple transfers of responsibility for a student's file which drive costs higher.

Estimate of Financial Impact

Savings would result from the reduction in the need for 24 existing positions as follows:

9	Pupil Service Center coordinator positions	$460,732
5	Placement coordinator positions	267,761
10	District Committee on Special Education positions	479,437
	Sub-total salaries	**$1,207,930**
	Fringe benefits	**301,983**
	TOTAL SALARIES & BENEFITS	**$1,509,913**

Estimated Savings					
Year	**95/96**	**96/97**	**97/98**	**98/99**	**99/00**
Savings	$1,509,913	$1,509,913	$1,509,913	$1,509,913	$1,509,913

Requirements for Implementation

This recommendation can be implemented completely by the Board and administration of the BPS. The BPS should advise the federal court of any impact implementing this plan will have on special education programs.

Peer Information

Many peer school districts have not centralized their special education evaluation and placement procedures as illustrated in the table below.

TABLE 2.5

BUFFALO FINANCIAL PLAN COMMISSION
PEER SCHOOL DISTRICT SPECIAL EDUCATION STUDENT/ADMINISTRATOR RATIO

School District	Is Special Education Evaluation & Placement Centralized?
Buffalo	Yes
Rochester	No
Syracuse	Yes (Placement), No (Evaluation)
Cincinnati	Yes (Placement), No (Evaluation)
Kansas City	No
Milwaukee	Yes
Minneapolis	No
Pittsburgh	Yes (Placement), No (Evaluation)
St. Louis	No
Toledo	No
Kenmore/Tonawanda	Yes
Orchard Park	No
West Seneca	No
Williamsville	No

Other

This recommendation was developed with the assistance of experts in the field of special education from the Special Education Department at Buffalo State College.

7a. Reduce the Cost of Buffalo Alternative High School Program - Class Size/Program Assessment.

Finding

Buffalo Alternative High School (BAHS) offers a program to students who are at risk of dropping out of or being expelled from school. The program is designed to promote self-esteem and to ready the students for a return to regular school settings. A large number of students at BAHS have been assigned there because of formal suspension from their home schools. Others are there as a result of parental request, or because of poor attendance.

The student-to-teacher ratio is low at this facility. Average enrollment is approximately 400 students in grade levels 7-12. Average attendance is slightly less than 70% of enrollment. Classroom sizes are limited by terms of the BTF contract to a maximum enrollment of ten students.

BAHS is, in part, a drop-out prevention program. The BPS, however, does not track the results of the students after they leave this program. Records are not kept on graduation or drop-out rates for students who earn their return to a regular school. Additionally, BAHS instructors are not specifically trained to work with these students. The 1994-95 budget for this program is approximately $5.6 million.

TABLE 2.6
BUFFALO ALTERNATIVE HIGH SCHOOL
1994-1995 Approximated Budget

	Staff	Salary	Total
Principal	1	$65,508	$ 65,508
Assistant Principal	2	64,895	129,790
Classroom Teacher	64	49,164	3,146,496
Guidance Counselor	5	49,164	245,820
Coordinator	7	49,164	344,148
Administrative Assistant	1	49,164	49,164
Total Professionals	**80**		**$3,980,926**
Teacher Aide	9	11,950	$107,550
Clerical	2	26,146	52,292
Total Non-professionals	**11**		**$159,842**
TOTAL STAFF	**91**		**$4,140,768**
Fringe Benefits			1,035,192
Lease Cost (Table 2.6A)			280,740
Transportation Cost			146,306
TOTAL COST			**$5,603,006**

TABLE 2.6A

BUFFALO ALTERNATIVE HIGH SCHOOL
(Leased Space)

1994-95	Annual Lease Cost	Pupils (as of 11/8/94)
D'Youville	$12,566	37
Hanlon Center	29,539	34
Nativity B.V.M. Church	16,657	37
Northwest Community Center	43,990	71
Queen of Peace Church	65,995	42
St. Gerard Church	102,815	45
St. Simon Church	9,178	38
Central Building - 280 Oak St.	n/a	79
	$280,740	383

Recommendation

Maximum class size should be increased from 10 to 15 students, thereby reducing the number of instructors required by 33%. Instructors should be provided intensive training in educating alternative high school students to prepare them for a return to regular schools. Records should be kept on student results to allow for an ongoing assessment of the educational and financial results of this program.

Rationale

The ten student maximum enrollment per class is an inefficient use of teachers. Based on the high rate of student absenteeism at BAHS, actual class size averages under seven students. According to BPS staff at the BAHS site, it is not unreasonable to expect that properly trained teachers can be effective in a class of 15 enrolled "at risk" students.

Estimated Financial Impact

Implementing this recommendation with maximum flexibility of reassigning students and teachers would allow for the reduction of up to one-third of the 62 current teachers and savings of $1,290,555 in salary and benefits. (21 teachers x $49,164 average BAHS teacher salary plus fringe benefits). This savings would be slightly offset by the cost of providing the remaining teachers with intensive training in educating "at-risk" students. The school

Principal, who is a strong advocate of this specialized training, though unable to provide a detailed estimate of cost for training, felt $100,000 would be the upper limit for any such training costs.

Estimated Savings					
Year	**95/96**	**96/97**	**97/98**	**98/99**	**99/00**
Savings	-	$1,190,555	$1,190,555	$1,190,555	$1,190,555

Requirements for Implementation

This recommendation requires modifications of existing BPS employee labor contracts.

Peer Information

The maximum class size enrollment in the BPS alternative high school program is smaller than that of any of the peer school districts as shown in Table 2.7.

TABLE 2.7

BUFFALO FINANCIAL PLAN COMMISSION
PEER SCHOOL DISTRICT ALTERNATIVE HIGH SCHOOL
MAXIMUM CLASS SIZE

School District	Maximum Class Size at Alternative High School for Students with Discipline or Attendance Problems
Buffalo	10
Rochester	20
Syracuse	15
Cincinnati	NA
Kansas City	15
Milwaukee	15
Minneapolis	varies from 10 to 35
Pittsburgh	25
St. Louis	27
Toledo	25
Kenmore/Tonawanda	12
Orchard Park	NA
West Seneca	NA
Williamsville	NA

NA = Not available.

7b. Reduce the Cost of Buffalo Alternative High School Program - Locations.

Finding

Buffalo Alternative High School (BAHS) consists of its central building, plus seven leased satellite locations. The average enrollment at the seven satellites is 43 students. There are 79 students in the central building. Each satellite has its own building coordinator. The annual lease cost for the seven satellites is $280,740.

The argument for having so many satellite sites is that the students involved in this program often have a history of trouble and violence, and it may be unsafe to have a high concentration of such students at a single site without somehow fragmenting the facility to minimize contact among the students.

Recommendation

The number of locations for the Buffalo Alternative High School program should be reduced from eight to a maximum of four. If necessary, physical or scheduling barriers should be used to minimize contact among groups of students.

Rationale

There are a number of fixed costs, such as a building coordinator and lease costs, that can be eliminated by reducing the number of sites used to operate this program. The current eight locations average approximately 50 students per site, which is not cost effective.

Estimated Financial Impact

Even if only the four least expensive sites were closed there would be $68,000 of annual savings in lease expenses and $300,000 in salaries and benefits of the building administrative staff, including one coordinator and one teacher aide per closed site.

Estimated Savings					
Year	**95/96**	**96/97**	**97/98**	**98/99**	**99/00**
Savings	$368,000	$368,000	$368,000	$368,000	$368,000

Requirements for Implementation

This recommendation can be implemented completely by the Board and administration of the BPS.

Peer Information

Not applicable

8. Reduce the Cost of Fulton Academic Complex.

Finding

Fulton Academic Complex (FAC) is a facility for pregnant teens (and teenage mothers who have delivered while in the program) enrolled in the Buffalo Public Schools system. BPS administrators estimate that only one in four pregnant teens opts to use the FAC program, with the remainder choosing to stay in their pre-pregnancy school building. Average enrollment is 45 students in the Fulton Academic Complex program, with average daily attendance at approximately 60% of enrollment.

Students typically spend between one-half year and a full year at the school, during which time they attend small classes (often two or three students per teacher) while receiving the standard district curriculum and childbirth/child care instruction and counseling. In addition, a portion of the FAC facility (Parent-Child Center) serves as a day-care center for district students with young children. Approximately 80 infants are receiving day-care services through FAC. The FAC day-care facility is staffed by BPS teachers and teacher aides.

The total cost of the FAC program is $1.9 million per year, of which $1.3 million is for educating the students and $.6 million for day-care services.

This equates to an average cost per school year of $47,876 per student based on average daily attendance, or $28,726 per student based on enrollment, plus $7,019 for day-care services per infant. Included in the education cost is $300,000 of transportation expenses for the 14 buses currently servicing the facility. There are approximately three students per bus, based on enrollment, and fewer than two students per bus, based on average daily attendance.

The district does not track the results of students who have used this program to determine whether they eventually graduate or drop out of school after having a child.

Recommendations

Reduce FAC transportation costs by implementing the recommendation from the district's recent transportation study to save $88,000 by integrating this transportation expense into the special education transportation contract.

The cost of the day care program should be reduced by replacing the in-house Parent-Child Center day-care with services to be provided through a contract with a certified not-for-profit agency at a cost similar to that allowed by the Department of Social Services for day-care services ($80/week).

Maintain records on students utilizing the FAC to report the results of this program. The results should be used to determine the effectiveness of the program and whether it should continue as is, be modified to improve results, or be discontinued.

Rationale

Implementing these recommendations will allow for all services provided to pregnant students and their children to be continued at their present level, but at less expense. Tracking results will allow the district to evaluate the cost and the success of the program.

Estimate of Financial Impact

Area	Savings
Reduce transportation costs	$88,000
Replace in-house day-care service with a not-for-profit agency providing day-care service. **(Note:** Savings assume contracted day-care costs of approximately $220,000 per year, compared to current costs of approximately $570,000)	350,000
Track Program Results (Savings Not Estimated)	0
TOTAL SAVINGS	**$438,000**

Estimated Savings

Estimated Savings

Year	**95/96**	**96/97**	**97/98**	**98/99**	**99/00**
Savings	$438,000	$438,000	$438,000	$438,000	$438,000

Requirements for Implementation

This recommendation can be implemented completely by the Board and administration of the BPS.

Peer Information

Peer school districts vary in pregnant teen support/instruction facilities and child day-care provided. Suburban schools generally do not provide special facilities for pregnant teens or any type of day-care service. Other big city school districts do operate pregnant teen support/institution facilities and provide day-care services. Syracuse uses the local Salvation Army to operate day-care service.

A description of the child care programs offered by the peer school districts is shown in Table 2.8 below.

TABLE 2.8

BUFFALO FINANCIAL PLAN COMMISSION
PEER SCHOOL DISTRICT CHILD CARE COMPARISON

School District	Child Care Program Available	Child Care In-house or Contracted	Child Care Cost/ Child per Week
Buffalo	yes		$200
Rochester	yes	in-house	100 - 120
Syracuse	yes	both	100
Cincinnati	yes	both	$111 - 169
Kansas City	no		
Milwaukee *	yes	contracted	131
Minneapolis	yes	in-house	153
Pittsburgh *	yes	in-house	112
St. Louis	yes	in-house	88
Toledo	no		
Kenmore/Tonawanda	no		
Orchard Park	no		
West Seneca	no		
Williamsville	no		

* Only in selected High Schools

RECOMMENDATIONS RELATED TO MANAGEMENT IMPROVEMENT

9. Make Administrators below the Associate Superintendent Level Directly Accountable for the Financial Management of Their Entity.

Finding

Administrators below Associate Superintendent have little responsibility for annual budget development. The role of the Assistant Superintendents in the budgeting process is principally to project student populations and the number of teachers needed to serve those students. They have little or no responsibility for budgeting costs. Additionally, these administrators do not have information to monitor spending actually made relative to the annual budget. There is a lack of financial data which document actual spending for each Instructional Services Division (ID) function in a manner which corresponds to the ID's administrative structure, i.e., the management configuration does not match the information configuration. For example, spending reports do not identify the total actual costs for special, elementary, and secondary education, respectively, yet these areas are three of the six functional areas defined within the ID organization structure. As a demonstration of the significance of this problem, members of the Commission study team had to work through several BPS departments to develop an estimate of special education costs at BPS.

Recommendation

Develop financial reports which summarize cost by function in a manner which aligns administrative responsibility with financial information. Once such data are available, assign budget responsibility to the Assistant Superintendents. The Assistant Superintendents within the ID should be charged with the development of comprehensive budgets for their respective functional areas where all related costs are captured and summarized on a single report. The Assistant Superintendents also should be charged with managing actual spending against that budget. Principals and others involved in administering educational programs should be included in the budgeting process. In this revised process, for example, principals would be given more responsibility and held accountable for matters relating to their school building, such as staff hiring, supplies purchases, and building maintenance.

Rationale

It is fundamental to the efficient operation of any organization that individuals be charged with accountability for spending, rather than staffing levels only.

Requirements for Implementation

This recommendation can be implemented completely by the Board and administration of the BPS.

Peer Information

Not applicable.

10. Improve Cost Effectiveness of Instructional Programs by Implementing District-wide Pre-referral Intervention Programs to Decrease the Demand for Special Education Services.

Finding

The nature and extent of mandated procedures have caused the cost of special education to exceed that of regular education. Once a student is formally referred into Special Education, a costly evaluation process, which includes many mandated steps, begins. This evaluation process, even in an optimally efficient environment, requires a costly infrastructure.

The Board of Education has not instituted a district-wide intervention and prevention program to reduce the need for special education services. Although certain schools, on their own initiative, have made efforts in this regard, and the special education administration is researching a "learning styles" project, these efforts have not been part of a district-wide strategy.

The approach to special education at BPS is one which has, over time, focused on process and administration. Further, the administrative and physical separation of special education employees from regular education employees discourages regular and special education professionals from working together to assist the student prior to commencing the formal evaluation process.

Recommendation

The Board of Education should develop a comprehensive pre-referral intervention and prevention program. The program should include provision for training teachers, administrators, and parents.

This program should include specific quantifiable goals identifying the planned-for reduction in the number of referred/classified students and special education costs.

Finally, efforts should be made to physically integrate more special education professionals into the schools. This "on-site" presence will serve as a key enabler to implementing a prevention program. Consideration should be given to having these on-site special educators be responsible to the building principals. The Commission believes that such integration will result in more focus on the student and less on administrative/"turf" issues.

Rationale

The most sensible and far reaching cost avoidance strategy is to institute comprehensive pre-referral intervention and prevention programs that will reduce the number of students needing special education services.

Requirements for Implementation

This recommendation requires formal approval from more than one constituency other than the Board.

Peer Information

The percentages of students enrolled in special education for the peer school districts are shown below.

TABLE 2.9

BUFFALO FINANCIAL PLAN COMMISSION
PEER SCHOOL DISTRICT SPECIAL EDUCATION PERCENTAGE

School District	% Special Education
Buffalo	12.7%
Rochester	10.0
Syracuse	7.2
Cincinnati	6.8%
Kansas City	6.6
Milwaukee	12.9
Minneapolis	13.6
Pittsburgh	13.7
St. Louis	6.1
Toledo	11.2
Kenmore/Tonawanda	2.2%
Orchard Park	3.7
West Seneca	4.3
Williamsville	0.7

11. Establish a Board Academic Evaluation Committee to Direct Implementation of a Goal of Academic Excellence for the BPS.

Finding

The BPS does not have a formal set of results-oriented education goals to measure student learning across the district. Even if such goals existed, there is no effective mechanism to assess actual performance. Moreover, management goals and objectives, as well as a comparable framework for assessing staff activities in relationship to them, are very limited.

Recommendation

Establish a BPS Academic Evaluation Committee and develop a program that insists upon and defines academic excellence for the BPS and requires the identification of the tools that will be used to assess BPS progress.

The task of the Committee would include:

- Establishing a system-wide evaluation profile to measure student academic results
- Establishing a system-wide evaluation profile to measure the performance of individual schools, for specific academic programs, and for the district as a whole
- Tracking and reporting education results for use internally and by the BPS's constituencies.

Rationale

Improving student education results is the highest priority for the Board of Education. The Board establishes policies and goals, and it provides the overall leadership and directions to implement them. The Board must have a means by which it can formally measure the results of these efforts.

Requirements for Implementation

This recommendation can be implemented completely by the Board and administration of the BPS.

Peer Information

Not applicable.

Division of Finance, Personnel and Administrative Services
Background

The Division of Finance, Personnel and Administrative Services (FPAS) supports the delivery of educational services provided by the BPS Instructional Services Division. The Division, directed by an Associate Superintendent, has nine units, including the BPS's management information systems (MIS), human resources (HR), finance, purchasing, evaluation, and food services activities. HR is broken into four distinct departments which are responsible for instructional personnel, civil service personnel, affirmative action, and employee relations/benefits.

The FPAS review concentrated on the MIS, HR, finance, purchasing, and evaluation services. These units account for $6.5 million and 152 full time equivalent (FTE) employees in FPAS's 1994-95 personnel budget of $12.9 million and 642 FTE employees. The remainder of FPAS staff and expenditures is comprised of the food service functions. The Commission examined food service functions and had no significant findings.

An examination of the administrative and operational delivery of FPAS services was performed, including the following areas:

- Cost efficiency and effectiveness of MIS operations as they exist: This included an examination of the MIS unit's costs and level of service, a review of options, and a recommendation for a significant change.

- Opportunities for cost savings and improved efficiency through additional MIS systems/automation: This involved an examination of the cost and quality of current personnel, payroll, purchasing, and finance systems; a review of options; and a recommendation for automation of several functions currently being done manually.

- Organization structure: This included an examination of the structural effectiveness and efficiency of the units, and a recommendation for organizational changes to reduce current layers of administration.

- Functional performance of the units: This involved an examination of activities and responsibilities of the units, and a recommendation for improving operating productivity and the quality of work being produced.

The findings show that the Division is not well organized to provide adequate support services needed by the BPS. For example, HR activities are conducted by four separate units, with no effective coordination among them. Various budget activities are performed in separate departments within FPAS. The Budget office is not responsible for coordinating all district budgeting, and there is no single published budget document that incorporates all revenues and expenditures in one place.

Additionally, several of the Division's units' focus is more on meeting the internal needs of FPAS than in supporting the instructional effort, and serving the broader BPS-wide needs. For example, the evaluation unit reports are not provided as and when needed by the Instructional Services Division. Because of this, Instructional must prepare its own program and performance evaluation activities.

Instructional does not use internal MIS services for a significant portion of its MIS needs, choosing instead to contract directly with Erie 1 Board Of Cooperative Educational Services (BOCES) for MIS services. This is primarily due to the Instructional Services Division's perception of a lack of responsiveness and capabilities of the internal BPS MIS function. Internal MIS financial services -- such as budgeting, purchasing, and account status monitoring -- are not widely accessible outside of the central office. This further inhibits the effective financial control of the BPS.

Implementation of the following recommendations will better focus FPAS as a support function. The primary function of the BPS is education, and the FPAS role in support of this function must be enhanced. The FPAS must become more responsive to the service needs of the Instructional Services Division.

RECOMMENDATIONS WITH DIRECT FINANCIAL IMPACT

1. Improve Management Information Systems (MIS) and Reduce the Need for up to 16 Positions in the MIS Department by Reorganizing MIS and Contracting with BOCES to Provide MIS Services.

Finding

The BPS currently spends $3.1 million on MIS and related activities annually: $1.8 million on in-house data processing activities and $1.3 million on the Board of Cooperative Educational Services (BOCES) as an outside vendor. Overall data processing requirements and related activities are split among the three Associate Superintendents in the District (i.e., Finance, Personnel & Administrative Services; Instructional Services; Plant Services & School Planning), leading to an uncoordinated and inefficient overall data processing picture in the Buffalo Public School system.

The Associate Superintendent for Finance, Personnel and Administrative Services has under his jurisdiction the data processing department, headed by the Director of Administrative Services. The Director of Administrative Services is involved primarily in oversight of MIS services and has the Supervisor of MIS reporting to him. Under current Board policy, one must be a certified teacher to qualify for the senior MIS position, although teaching experience is not relevant to performing this job. MIS services include finance related functions, such as payroll, accounts payable, purchase orders, and inventory. The MIS Department also supports inventory of supplies and certain transportation-related activities which fall under the jurisdiction of the Associate Superintendent of Plant Services and School Planning.

Since 1984, some of the data processing requirements of the BPS's staffs, which report to the Associate Superintendent of Instructional Services, have been met through a contract with the Regional Information Center (RIC) at Erie 1 BOCES, Lancaster, New York. These services include student records, personnel data for Instructional Services professionals, and E-mail. The contractual arrangement with BOCES began because of a perception by the instructional unit that the data processing department was incapable of producing certain data necessary to either manage the Instructional Division, or respond to data requests of the federal courts relating to the desegregation case. From that original need, other services have been added as BOCES proved itself to be a competent processor for instructional services management.

As a consequence of the two separate data processing initiatives in the BPS, one internal and the other contractual, inherent inefficiencies have been created which have resulted in the overlapping of data entry. The separation also has precluded any synergistic effect from combining the data bases, and data in the two systems often conflict.

Current mainframe systems used by BPS are aging and will require increasing levels of maintenance over time.

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Recommendations

Eliminate the position of Director of Administrative Services and establish a new position of Director of Management Information Services with overall District management information responsibility. This new Director should report to the Associate Superintendent for Finance, Personnel and Administrative Services and serve at the pleasure of the Board. This position should not require teacher certification and should be filled by a professional in the MIS field, perhaps from a senior level MIS post in the private sector. This professional should have sufficient experience and vision to re-engineer the District's approach to MIS. The Director should have comprehensive knowledge of information technology functions, including systems development, systems integration, data center operations, and communications services.

Transfer all MIS related functions, now in the Instructional Division, to the new Director.

The initial priority for the new Director of MIS should be to replace the existing in-house computer system. The BPS should contract with BOCES to implement the integrated financial and business resource software system entitled FAME. This approach would eliminate the need for much of the current in-house system, with its aging hardware and application software, along with the need for up to 16 MIS positions that become redundant when this main-frame processing is ended in-house.

The BPS should avoid replacement of, or significant investment in, the existing mainframe hardware. Supplemental computer needs (e.g., service center inventory reports, fuel usage reports, etc.) should be filled by a combination of PC, PC network, and/or UNIX (open architecture) based software, along with the appropriate hardware.

Rationale

The Commission is recommending using BOCES computing services because it offers higher quality at a lower cost.

Recommendations were made in a September 1982 report of the Mayor's Board of Education Review committee that called for the Board of Education to use BOCES computer services or utilize the City's computer services. In that study, three alternatives were examined:

1) the Board of Education acquiring its own computer facility
2) the Board of Education using the City computer system
3) the Board of Education using BOCES computer services

Of these alternatives, the in-house option was said to be the least cost-effective, and consolidation with the City's MIS operation was judged to be problematic because of questions regarding the City's capability to provide adequate service.

The Commission, during much of 1994, re-evaluated these three options. It considered the consolidation of mainframe processing with the City of Buffalo but rejected that approach. Although certain savings would be achieved, it believes the additional goal of using a more fully integrated software package to raise the level of automation and be compatible with New York State Education Department reporting requirements would not be realized as quickly as by engaging BOCES.

Thought also was given to allowing the MIS Department the option of developing the necessary integrated software in-house. However, the current quality and level of automation across the Division of Finance, Personnel and Administrative Services gave no assurance that a fully integrated, home-grown system, to match the full functionality offered by FAME, would be developed by MIS anytime soon. Further, in-house development for complex software needs is being replaced in most MIS environments by purchasing or contracting for pre-packaged solutions.

BOCES represents a pre-packaged solution because the FAME software has been developed and tested for multiple users with similar needs. Similarly, the head start that BOCES has gained, through its years of processing for school districts state-wide, was judged to be too great for an outside software firm to overcome quickly, while still meeting New York State Education Department reporting requirements.

Estimate of Financial Impact

The majority of applications currently being run, as well as others not now used by the MIS Department, are available within FAME. By contracting with BOCES, up to 16 positions that would become redundant and significant maintenance and rental costs can be eliminated. These savings will more than offset the increase in the cost of BOCES services. This recommendation is based only on mainframe applications, since it is envisioned that the PC applications, which have been developed in-house, should be retained by the new MIS Department. This would necessitate retaining a small cadre of PC software technicians to continue application development and maintenance and some data entry staff.

Year	**95/96**	**96/97**	**97/98**	**98/99**	**99/00**
Positions Being Eliminated *					
Supervisor		$44,116	$44,116	$44,116	$44,116
Asst. DP Equip Supervisor	$30,779	30,779	30,779	30,779	30,779
Senior Computer Operator		32,867	32,867	32,867	32,867
Computer Operator (3)	30,779	92,337	92,337	92,337	92,337
Sr. DP Equipment Operator		28,250	28,250	28,250	28,250
DP Equipment Operator (2)	26,146	52,292	52,292	52,292	52,292
Programmer (2)	37,450	37,450	74,900	74,900	74,900
Comm. Systems Eng. Coord.	44,116	44,116	44,116	44,116	44,116
Programmer Analyst (2)		40,622	81,244	81,244	81,244
Systems Analyst (2)	____	40,622	81,244	81,244	81,244
Salary Total	$169,270	$443,451	$562,145	$562,145	$562,145
Fringe Benefits	42,318	110,863	140,536	140,536	140,536
Personnel Savings	$211,588	$554,314	$702,681	$702,681	$702,681
Maintenance Contracts and Rental Savings	____	206,175	412,350	412,350	412,350
Gross Savings	$211,588	$760,489	$1,115,031	$1,115,031	$1,115,031
Less Implementation Costs:					
Est'd. cost of necessary BOCES programming	$(200,000)	$(100,000)	-	-	-
Est'd. cost of software for inventory & transportation applications (est'd. @ $100,000 each)	(200,000)	-	-	-	-
Est'd. annual cost of BOCES processing with FAME	(115,000)	(235,000)	(350,000)	(350,000)	(350,000)
Total Implementation Costs	$(515,000)	$(335,000)	$(350,000)	$(350,000)	$(350,000)
NET SAVINGS	$(303,412)	$425,489	$765,031	$765,031	$765,031

* Assumption: Additional cost of new Director of Management Information Services is offset by savings generated from elimination of Director of Administrative Services position.

Estimated Savings					
Year	**95/96**	**96/97**	**97/98**	**98/99**	**99/00**
Savings	$(303,412)	$425,489	$765,031	$765,031	$765,031

Requirements for Implementation

This recommendation can be implemented completely by the Board and administration of the BPS.

Peer Information

Spending per pupil and utilization of BOCES services by the peer school districts for 1993-94 are shown below.

TABLE 3.1

SCHOOL DISTRICT	INFORMATION SYSTEMS BUDGET	STUDENT ENROLLMENT	SPENDING PER PUPIL	DOES THE DISTRICT UTILIZE BOCES?
Buffalo	$3,049,489	48,541	$63	Yes
Rochester	1,938,969	34,400	56	No
Syracuse	819,500	22,457	35	No
Cincinnati	3,063,500	51,341	60	NA
Kansas City	3,993,120	37,138	108	NA
Milwaukee	5,861,176	100,488	58	NA
Minneapolis	1,900,000	44,405	43	NA
Pittsburgh	1,900,475	40,167	47	NA
St. Louis	2,305,069	42,722	54	NA
Toledo	2,833,000	39,021	73	NA
Kenmore/Tonawanda	316,000	9,107	34	No
Orchard Park	425,000	5,080	84	Yes
West Seneca	408,282	7,475	55	Yes
Williamsville	1,016,549	10,235	99	Yes

NA = Not applicable.

Other

BOCES will convert all present large-volume clients, over the next two years, to FAME, the system which the Commission is recommending BPS utilize. Thereafter, FAME also will be available as a PC-based application, which would permit the BPS to return to in-house data-processing at some future date.

2. Reduce the Need for up to 19 Positions in the Payroll, Personnel, and Purchasing Departments by Automating Manual Procedures and Integrating Processing where Possible.

Finding

The use of modern technology to improve quality and efficiency is not adequate in many areas of the Division of Finance, Personnel and Administrative Services.

The BPS human resources function includes personnel, payroll, labor relations, and benefits. These management activities are "paper/labor intensive," requiring excessive clerical support. For example, checks for temporary and part-time teachers need to be manually sorted. Calculation and entry of lost time for temporary and part-time teachers are manual, as is the processing of all direct deposit payroll checks.

Other labor-intensive activities include substitute teacher placement, civil service applicant processing, and the preparation of personnel change listings for Board consideration. In addition, the effective and efficient operation of the schools is directly impacted because of the slow turnaround and poor quality of position and personnel management reporting and related information reports.

In fact, the Instructional Division maintains its own human resource data bank with BOCES because of the Instructional Division's need for information that internal MIS systems do not provide.

The BPS Purchasing Department sorts, inputs, and tracks 20,000 requisitions per year. The BPS keeps 8,000 active vendor files open, and the typical cycle time from receipt of a requisition to purchase order issuance is anywhere from 30 days to, in some cases, as high as 150 days. Even small orders require several layers of management signatures prior to approval of the purchase order for processing.

The entire process is cumbersome and manual. For example, because there is no automated purchase accounting system, the user needs to call the purchasing department to determine whether sufficient funds are available in the appropriate account fund balance, or to check on the status of a requisition at any given time.

If there is a sufficient fund balance at the time of the call, the requisition is submitted. However, before the requisition makes it through the approval process, other requisitions and purchase orders may be processed against the account. Funds may, therefore, not be available by the time the previously "cleared" requisition is processed into the system. This will result in the system rejecting that requisition. Purchasing will then send it back to the user department to start the process all over again (if the department can transfer funds to that account).

Recommendations

The Division should automate manual procedures through an amended contract with the BOCES WNY Regional Information Center to include the BOCES human resource (HR) systems and purchasing system capabilities.

Purchasing procedures and approvals must be streamlined, especially for smaller purchase orders, so that fewer signatures are required and turnaround time is reduced.

Rationale

The BPS HR and purchasing activities can be better serviced at a lower cost using the BOCES systems. For example, with BOCES, workload reductions in Payroll and Personnel departments would result from the automatic fund transfer of direct deposit payroll accounts, the elimination of almost all manual payroll record keeping and processing, and automated applicant tracking and status, automated grievance and arbitration information generation, automated instructional and civil service applicant tracking and status identification, and the related streamlining of all personnel and payroll processing activities.

In the Purchasing Department, workload reductions would result because requisitions would be input on-line by the user (not purchasing staff), with fund sufficiency verification and pre-encumbrances automatically handled at that time. Departments also will be able to monitor the progress of orders in process without taking up purchasing staff time.

Estimate of Financial Impact

The reduction of manual processing and related inefficiencies would result in direct financial savings in both HR and Purchasing. In the payroll area, three of six account clerk typist positions and three of six supervisory positions could be eliminated because of an estimated 50% reduction in processing time of payroll activities through automation. In the personnel areas, five of 12 clerical positions and one (clerical oriented) of three supervisor positions also could be eliminated as a result of automation and related process or activity adjustments.

In Purchasing, automation would allow user departments to input their own requisitions directly into the purchasing system (checking account fund balances) and trace their own requisitions throughout the approval process. Typing of all requisitions by Purchasing would be virtually eliminated, and its handling of telephone inquiries would be drastically reduced, eliminating the need for seven of the current 12 clerk typist-related positions.

First year savings would, however, be reduced by an estimated $50,000 needed to purchase some personal computers (PCs) required for implementation of the automation process.

The reduction of manual processing would result in direct financial savings for both HR and Purchasing, as follows:

Eliminate positions in Payroll:	
Associate Auditor	$39,000
Associate Account Clerk	31,837
Account Clerk Typist (3)	73,416
Senior Account Clerk Typist	25,309
Eliminate positions in Personnel:	
Supervisor Personnel	34,619
Personnel Assistant	34,880
Account Clerk Typist (2)	48,944
Stenographer (2)	47,362
Eliminate positions in Purchasing:	
Typists (7)	162,204
Total Salaries	$497,571
Fringe Benefits	124,393
Gross Savings	**$621,964**
Less Implementation Costs	
Est'd. cost of necessary personal computers (95/96 only)	50,000
NET SAVINGS	**$571,964**

Estimated Savings					
Year	**95/96**	**96/97**	**97/98**	**98/99**	**99/00**
Savings	$571,964	$621,964	$621,964	$621,964	$621,964

Requirements for Implementation

This recommendation can be implemented completely by the Board and administration of the BPS.

Peer Information

Not applicable.

Other

Direct local vendor delivery, as recommended in the Plant Services and School Planning Division section, will reduce the need for multiple vendor purchases.

3. Reduce the Need for One Position and Reclassify up to Four Others by Restructuring the Human Resource Functions.

Finding

The previous FPAS recommendation identified inefficiencies related to the low level of automation found in the BPS Human Resource Departments (HR). In addition, there are structural inefficiencies in the way HR is organized. There are redundant levels of management and too many HR positions reporting directly to the Associate Superintendent.

There are currently four personnel units within FPAS: Instructional Personnel, Civil Service Personnel, Affirmative Action, and Employee Relations. The head of each unit is a director level position, yet no one person has the complete and undivided responsibility for the development of BPS human resource policies, practices, and operations. These units operate independently, with each reporting separately and directly to the Associate Superintendent. In addition, the Board requires teacher certification for several positions in the HR staff, yet teacher certification is not needed to perform these jobs.

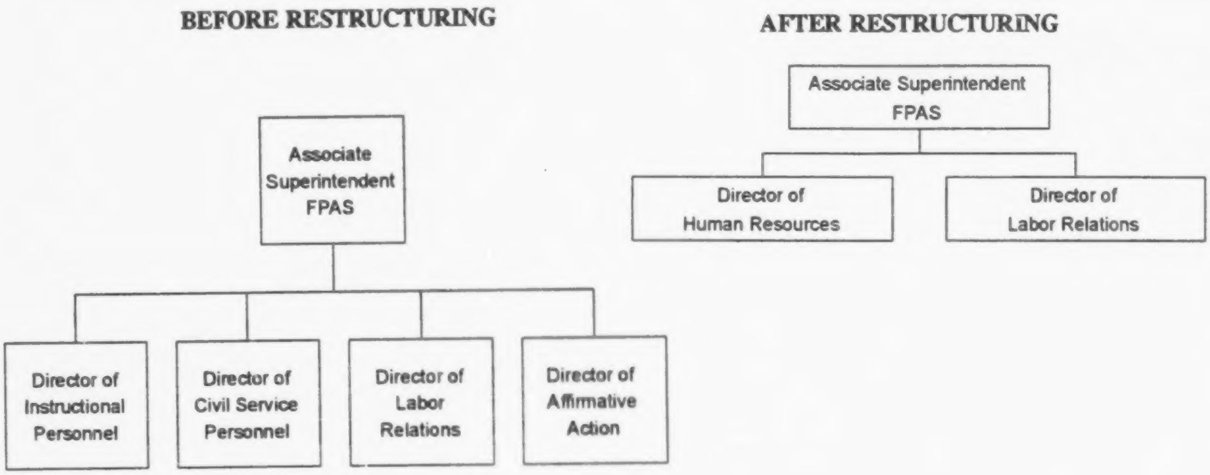
The BPS previously had a position of Assistant Superintendent of Personnel, with direct responsibility for all HR activities. Several years ago this position became vacant and was eliminated.

The HR organization has changed very little over the past 15 years. Staff make only limited use of current human resource technology, e.g., strategic planning, work process redesign, flex time, self-directed teams, flex benefits, incentive pay, performance management, etc.

Recommendations

Restructure and eliminate layers of management to establish a more streamlined and coordinated Human Resource structure, as illustrated below.

TABLE 3.2


BEFORE RESTRUCTURING
Associate Superintendent FPAS
Director of Instructional Personnel
Director of Civil Service Personnel
Director of Labor Relations
Director of Affirmative Action
AFTER RESTRUCTURING
Associate Superintendent FPAS
Director of Human Resources
Director of Labor Relations

Consolidate Instructional Personnel, Civil Service Personnel, and Affirmative Action units under one experienced HR professional. The teacher certification requirement should be waived for this newly created Director of HR position. All senior level positions in this department should be non-union employees, hired to serve at the pleasure of the Board, with formal HR experience, training, and education.

By placing one person in charge of all HR activities, the need to have the other three directors is eliminated. Those in charge of these individual functions should be at a supervisor level reporting to the new Director. Specific recommendations include:

> Eliminate one position by combining the current Director of Civil Service Personnel and the Director of Instructional Personnel positions, because they perform parallel, redundant functions, and reclassify this combined position to Supervisor of Personnel, accountable to the new Director of HR position.
>
> Consolidate activities among the four remaining supervisory positions to eliminate the need for one supervisor position. Restructure remaining supervisor positions to Civil Service level managers. Remove the need for teacher certification for these positions.
>
> Reclassify the Director of Affirmative Action to supervisor level to make all remaining HR positions accountable to the new Director of HR position.
>
> Move the Benefits Manager position from Employee/Labor Relations to the Director of Human Resources.
>
> Retain the Director of Labor Relations position as an independent function. This position should be filled by a formally trained, labor relations professional who serves at the pleasure of the Board.

Charge the restructured HR organization with applying the latest human resource technology, e.g., strategic planning, work process redesign, flex time, self-directed teams, incentive pay, and performance management, to the BPS human resource function.

Rationale

The human resource activities of any large, complex organization must be directed by a full-time, human resource professional. This is especially true for an organization, such as the BPS, whose "services" are its people and where human resource costs are 75% of total costs.

Estimate of Financial Impact

Direct financial savings will occur as a result of the creation of an active Director of HR position, consolidating all HR activities under a coordinated direction, as follows:

Elimination of positions	
Director of Civil Service Personnel	$67,048
Personnel Supervisor	55,036
Restructuring of positions *	
Director of Instructional Personnel to Supervisor of Personnel	32,450
Director of Affirmative Action to Supervisor of Affirmative Action	31,309
Personnel Supervisor (2)	48,048
Creation of a position	
Director of Human Resources	(50,161)
Total Salaries	$183,730
Fringe Benefits	45,932
NET SAVINGS	**$229,662**

* Amount of savings calculated by determining the difference between salary of current incumbent and that of the civil service position being recommended.

Estimated Savings					
Year	**95/96**	**96/97**	**97/98**	**98/99**	**99/00**
Savings	$229,662	$229,662	$229,662	$229,662	$229,662

Requirements for Implementation

This recommendation can be implemented completely by the Board and administration of the BPS.

Peer Information

Teacher certification requirements for the peer school districts are shown below.

TABLE 3.3

SCHOOL DISTRICT	DO ANY HUMAN RESOURCE POSITIONS REQUIRE TEACHER CERTIFICATION?
Buffalo	Yes
Rochester	Yes
Syracuse	Yes
Cincinnati	Yes
Kansas City	No
Milwaukee	Yes, 1 Director of Staffing 4 Staffing Specialists
Minneapolis	No
Pittsburgh	No
St. Louis	No
Toledo	No
Kenmore/Tonawanda	No
Orchard Park	Yes
West Seneca	Yes
Williamsville	Yes, Asst. Supt. of Personnel

4. Reduce the Need for up to Three Positions in the Evaluation Department and Transfer the Evaluation Functions to the Instructional Division.

Finding

The Evaluation Department is responsible for processing and reporting student test scores to qualify for state and local funding. Department staff have an ongoing role in developing and implementing teacher hiring procedures for the Instructional Division. The overall duties and responsibilities of the department have diminished through time, but its staff size has not. Evaluation activities within the BPS system are fragmented, as most of the information used by teachers for assessing student performance is gathered and provided by instructional staff separate from the Evaluation Department.

Much of the work performed by this department is clerical in nature. Evaluation staff, now reporting to the Associate Superintendent in the FPAS Division, do not offer interpretations of student scores, nor do they issue reports relative to the effectiveness of student learning, teacher classroom performance, or other measures of academic excellence. Based on numerous teacher and principal interviews, student test score information gathered by the Evaluation Department is not summarized, or formatted, to be of great value to the teaching staff. Therefore, additional evaluation is performed independently by the Instructional Division. As such, there exist two sets of data and two series of evaluation reports with little or no coordination of this information.

Because of the current split in development and access to test score results, the Director of Instructional Services is not in the position to perform an objective and comprehensive system-wide educational evaluation.

Recommendations

Consolidate the tasks of educational assessment and research under the Director of Instructional Services by transferring the Evaluation Department function to that entity.

Maintain the analytical capabilities of the department, but eliminate up to three administrative positions. Transfer administrative responsibility and accountability of evaluation activities to the Director of Instructional Services under the Assistant Superintendent of Instructional Support Services.

Eliminate two typist positions that will become redundant when the staffs are combined.

Create two statistical positions that will have responsibility for performance of detailed statistical and analytical procedures relating to the evaluation process.

Rationale

There is significant overlap between the instructional evaluation function and the FPAS evaluation function that results in duplication of effort and redundant positions. The evaluation job could be done better if it were all under the direction of one head.

Estimate of Financial Impact

Four of the nine FPAS Evaluation Department positions should be transferred to Instructional as part of the consolidation. Five positions should be eliminated and two non-certified statistics clerk positions created. The Director's position is one that can be eliminated because the Director of Instructional Services will oversee the evaluation activities. Additionally, one of the two supervisor positions and the project administrator position can be eliminated, as they perform largely administrative/clerical work, which can be absorbed by Instructional. Two of three typist positions can be eliminated, as much of the current clerical work would be eliminated or absorbed within Instructional's current activities, both centrally and within the subject matter departments.

The creation of two statistical positions as part of the consolidation and restructuring of the department will, however, reduce a portion of the direct financial savings that would be realized from recommended position eliminations.

Elimination of positions	
Director	$73,323
Supervisor	63,187
Project Administrator I	50,682
Typist (2)	46,344
Creation of positions	
Statistics Clerk (2)	(54,952)
Total Salaries	$178,584
Fringe Benefits	44,646
Total Salaries & Benefits	**$223,230**

Estimated Savings					
Year	**95/96**	**96/97**	**97/98**	**98/99**	**99/00**
Savings	$223,230	$223,230	$223,230	$223,230	$223,230

Requirements for Implementation

This recommendation can be implemented completely by the Board and the administration of the BPS.

Peer Information

Evaluation reporting responsibility, staff size, and outsourcing of test scoring information for the peer school districts are shown below.

TABLE 3.4

SCHOOL DISTRICT	DOES THE EVALUATION DEPT. REPORT TO ADMINISTRATIVE OR INSTRUCTIONAL SUPERVISOR?	SIZE OF EVALUATION STAFF (INCL. TYPES OF POSITIONS)	IS EVALUATION (SCORING) OF TESTS OUTSOURCED?
Buffalo	Administrative	9	No
Rochester	Administrative	1 Director, 3-5 Evaluators	No
Syracuse	Administrative	1 Administrator, 1 Teacher	No
Cincinnati	Administrative	3 Administrators, 3 Teachers, 1 Research Asst.	Some
Kansas City	Administrative	22	Yes
Milwaukee	Instructional	7 Administrators, 8 Secretaries	No
Minneapolis	Administrative	6 Administrators, 4 Clerical	Yes
Pittsburgh	Administrative	8	No
St. Louis	Administrative	11 Administrators, 2 Clerical	Some
Toledo	Administrative	3 Evaluators, 1 Secretary	No
Kenmore/Tonawanda	Administrative	1 Director, 2 Clerical	Yes
Orchard Park	No Eval. Dept.	0	Yes
West Seneca	No Eval. Dept.	0	Yes
Williamsville	No Eval. Dept.	0	Yes

5. Reduce Telecommunications Costs by:

a. Purchasing Telephone Equipment that Is Currently Rented
b. Minimizing Distance Charges on Data Communications Networks
c. Utilizing Telephone Auditing Service to Identify Overcharges

Finding

The Board of Education started to eliminate the rental of telephones and telephone equipment over the past decade. However, 52 sites still are renting equipment from AT&T. The purchase of such equipment has proved to be more cost-effective than renting, but the initial investment cost to purchase has slowed the progress of converting the remaining rental sites. The BPS staff was able to provide information to the Commission for 35 of the 52 sites that have rental equipment. At the 35 sites evaluated, the Board of Education currently is spending $102,883 annually for rented telephone equipment.

Erie 1 BOCES operates, under contract with the Buffalo Public School system, a data communications network which connects virtually all Board of Education sites to the BOCES facility in Lancaster. The data communications network is a star configuration, with BOCES at the center. NYNEX charges are distance-sensitive and are passed along from Erie 1 BOCES to the Board of Education. Current NYNEX costs for this network are $145,548 annually. NYNEX network charges can be reduced if the current star configuration were to be centered at City Hall, rather than in Lancaster.

Regular communication traffic studies are not performed.

The BPS does not utilize a telephone auditing service to recover phone service overcharges.

Recommendations

Purchase telephones and telephone systems for all 52 locations.

Reconfigure the network to reduce the distance-sensitive costs of phone services.

Perform regular traffic studies to ensure that the Board of Education is not paying for unneeded excess capacity.

Utilize a telephone audit service to identify and recover phone service overcharges.

Rationale

The Board has experienced savings to date at all sites where it has eliminated rental costs by purchasing phone equipment. Further, cost-conscious business users are purchasing rather than leasing telephone equipment today because of favorable, current vendor pricing. The Board will eliminate a significant annual operating expense by purchasing its telephone equipment, and it will maximize its purchasing power, by making this a large one-time project. Moreover, if the Board establishes a future standard for all small telecommunication systems, it can simplify maintenance, minimize parts inventories, and provide training materials and vendor support more economically.

Savings can be achieved from the reconfiguration of the network system with no degradation in service.

Estimate of Financial Impact

		35 Sites Evaluated	Estimate of Add'l 17 Sites	Estimated Totals
a.	Current annual rental cost	$102,883	$51,441	$154,324
	Estimated purchase replacement quotation	250,726	125,363	376,089

Estimated Savings

Year	95/96	96/97	97/98	98/99	99/00
Savings	$(221,765)	$154,324	$154,324	$154,324	$154,324

- New wiring costs, where required, can be expected to be obtained within the estimated project cost.
- Maintenance of the new telephone systems after the expiration of warranties is projected to be 10% or less of the current costs.
- Maintenance costs can be expected to remain stable because of the competitiveness of the telephone business and the history of continually decreasing costs for telephone equipment.
- New equipment life is conservatively estimated at eight years.

b.	Current NYNEX cost: BOCES star network	$145,548
	Estimated NYNEX cost: City Hall star network	127,490
	Estimated annual savings	$18,058
	Estimated NYNEX cost of installation	$42,055

Estimated Savings

Year	**95/96**	**96/97**	**97/98**	**98/99**	**99/00**
Savings	$(23,997)	$18,058	$18,058	$18,058	$18,058

Requirements for Implementation

These recommendations can be implemented completely by the Board and the administration of the BPS.

Peer Information

Not applicable.

RECOMMENDATIONS RELATED TO MANAGEMENT IMPROVEMENT

6A. Improve Budgeting and Long Range Planning.

Finding

The present budget process fails as a communication vehicle and as a management tool to improve management decisions and accountability. While no direct financial impact, relevant to cost savings, can be determined regarding the current budgeting process, the implementation of this management recommendation may actually result in more significant savings over time than the dollar value of other findings in this assessment. The BPS budgeting process has changed little over the past decade. The BPS budget has been criticized by the courts, the City, the New York State Comptroller's office, and others during this time. Noted deficiencies include:

> The BPS staff views the operating and maintenance (O&M) budget as unrelated to funding from federal, state, and other grants which represent a quarter of the BPS budget. There are, in fact, separate budget offices for each. Consequently, there is no consolidated budget document reflecting all expenditures by department or all revenue sources. Also, O&M funds are budgeted on a fiscal year basis (i.e., July-June) while federal and state grant funds are budgeted based on the various fiscal years of each of the grants. Annualization of these grant funded budgets is not done.
>
> The district often accepts grants that require large local contributions from the O&M budget. Although each grant is budgeted and tracked individually, specific financial information on O&M expenditures related to grants is not budgeted or tracked. Many grants require an increasing level of local contribution over time. The impact on core programs as a result of local match requirements cannot be determined.
>
> The budget information is not grouped into useful or meaningful management categories and, therefore, cannot be used to enhance accountability for department managers. The cost of individual programs, departments, or schools is often unobtainable. School location and cost center budgets, generally, do not exist. Budgets for particular programs or processes also are absent. For example, BPS staff could not provide expenditures for elementary education vs. secondary education, math vs. music expenditures, or spending break-outs by school location.

Payroll and other expenditures are frequently budgeted and reported outside their management structure/department. For example, 26 security personnel, under a Director, report directly to the Assistant Superintendent of Secondary Education in the Instructional Division. However, they are budgeted for in the Plant Service and School Planning Division although they have no reporting requirements within that divisional structure. Moreover, personnel transfers are not promptly reflected in internal reports and budgets.

There is no formal budget message or formal published budget guidelines, and there is no stated list of budget priorities.

Monthly "actual vs. budget" reports, with year-end forecasts, are not compiled on a regular basis. Some line managers rarely have an accurate idea of their account balances. This renders budget information useless to some department managers. The need for sound actual vs. budget information is particularly acute in the Instructional Division. The result is a "crisis" budget process every year and an absence of longer-range planning (i.e., 3-5 years).

Since there is no long-range planning, progress toward long-term goals and objectives is not systematically tracked or reported.

Recommendations

The entire budgeting process should be redesigned to serve the needs of management at all levels, particularly Instructional Division management.

All system-wide budgeting for O&M and grant revenues/expenditures should be consolidated into one department under the supervision of the Assistant Superintendent in FPAS. This position should not require teacher certification. (Some departmental budget allocating and tracking capabilities will continue to be needed in the divisions.)

Local match funds needed to supplement grant funded programs should be budgeted and tracked to assess their impact on core programs and to provide management with the data necessary to decide whether the grants are worth pursuing.

Budget information should be structured to facilitate informed management decisions and improve administrator accountability.

Expenditures should be grouped within their respective management structures, and personnel transfers should be processed in the management reporting system at the same time as the transfers become effective.

The budget document should contain a narrative of major initiatives, changes in direction, progress toward goals, and other information of interest to the decision-makers (i.e. mayor, common council, Board members), parents, and the general public.

Periodic "actual vs. budget" reports and projected year-end results should be developed and widely distributed to staff and other constituencies.

A long-range planning process should be developed and implemented to track progress toward specific goals and objectives.

Rationale

Budgeting and planning are critical to effective management and decision-making.

Requirements for Implementation

This recommendation can be implemented completely by the Board and administration of the BPS.

Peer Information

Not applicable.

Other

Most, if not all, of these recommendations were submitted to the Board in a 1982 report entitled, "An Evaluation of the Buffalo School System, A Report on Fiscal and Managerial Practices." Pages 24-33 of the 1982 report are related to budget issues.

6B. Improve the Quality and Timeliness of External Reporting.

Finding

BPS has been delinquent in filing a number of critical reports and funding applications during the past three years. These include fiscal year-end reports, the annual financial report, the basic data informational report, and several special aid project final expenditure reports. Additionally, delays in approvals relating to the filing of special aid project applications and initial budgets, some of which did not meet filing requirements, have occurred during this time period.

New York State's Education Department and State Comptroller have both noted, in recent reports, that the BPS late filings, and filings not meeting requirements, have resulted in funding delays and/or losses.

For example:

- Scheduled state aid payments, totalling nearly $65 million, were stopped for three months in 1993 as a consequence of continued failure to file annual financial and basic data reports as and when required by the State. The imputed interest earnings loss to the City, related to this delay, is estimated to be $250,000.
- One payment of $5.6 million to BPS that should have been received in 1993 was delayed until August 1994, because of a late final cost report filing by the BPS, resulting in an imputed interest earnings loss to the City of $62,000. A review of other 1992-93 programs revealed about 30 similar reports (of a smaller magnitude) which also were not filed within required time parameters.
- $11.5 million in state building aid related to capital fund expenditures, for the five fiscal years 1988-89 through 1992-93, has been delayed as a result of continued tardiness in filing required reports, inaccuracies in the reports filed, and failure to provide all necessary data in the mandated format pursuant to the Education Law. The district is scheduled to receive this retroactive aid in the next state fiscal year as a result of a recently completed audit by the State Comptroller, in cooperation with the BPS and City oficials. No interest earnings loss, related to this delay, was estimated because necessary data were unavailable.

90

Recommendations

Develop internal tracking systems to ensure timely, high-quality report submissions, especially where those reports affect payment timing or funding levels. Make individual staff members accountable for preparing and filing reports as and when due.

Rationale

Although an estimate of savings related to timely, high-quality external reporting could not be developed for future years, it is clear that failure to comply with external reporting requirements has had a significant financial cost to the City in past years.

Requirements for Implementation

This recommendation can be implemented completely by the Board and administration of the BPS.

Peer Information

Not applicable.

Division of Plant Services and School Planning
Background

The BPS owns 78 schools which are an average of 65 years old and have 7,718,000 square feet of enclosed space. The schools also lease an additional 34 sites with 250,000 square feet of space.

The Division of Plant Services and School Planning is responsible for transportation of students, maintenance and repair of buildings, custodial services, storing and delivering of school supplies and maintenance materiel, building lease negotiations, and capital construction design, planning, and contract negotiations and supervision.

It is directed by an Associate Superintendent and has 793 employees with total salary and benefits of $17,809,072.

The administrative and operational delivery of the Division's services were examined, including the following areas.

- The cleanliness and maintenance of the school buildings involving an examination of the unique custodial system and the provision of building maintenance by skilled tradespeople

- The application of energy efficiency principles to the schools and efforts to install more energy efficient lighting and heating equipment

- The system of delivery of $1.6 million of supplies from the Service Center to the schools, versus direct vendor-to-schools delivery

- The delivery of transportation services to the schools, including an examination of the busing contracts currently in effect, and vehicle maintenance and fueling practices

The findings show that current school cleaning and maintenance costs are higher than other urban schools and that this system, as currently operated, does not provide information necessary for the BPS to assure accountability for public funds. Furthermore, the union contract provisions governing the division of work between engineer/custodians and tradespeople result in routine repairs, such as broken windows and leaking faucets, taking days and sometimes weeks to be completed. Also, failure to implement energy conservation measures, such as turning off lights and adjusting thermostats, along with failure to install energy efficient lighting and heating equipment, has caused utility costs to be unnecessarily high.

Additionally, it was found that the private industry practice of having supplies delivered by outside vendors has not been implemented by the BPS. This results in the perpetuation of an expensive and slow system of ordering, stocking, and delivering of supplies by BPS personnel.

Transportation services delivery appears to be well organized and managed. However, the current contracts for "yellow" school buses have been in effect for many years, and contract provisions do not permit easy tracking of vendor performance. The two contractors, National School Bus and Laidlaw Transit, have not faced competitive bidding since 1981 and 1986, respectively. Competitive bidding these busing contracts, which amount to $16,302,115, could lower the cost of busing for the district.

The recommendations which follow, if implemented, will not only save money, but also can raise productivity and service delivery levels through the institution of effective management practices.

RECOMMENDATIONS WITH DIRECT FINANCIAL IMPACT

1. Reduce the Cost of Cleaning, Maintenance and Grounds Care to Competitive Levels.

Finding

The cost of cleaning, maintenance, and grounds care services for the 7,718,000 square feet of BPS schools in 1993-94 was $20,250,265. This figure includes engineer/custodian contracts at $14,388,810, skilled tradespeople at $5,262,118 and custodial and pool maintenance materials, and contracted services (vermin control, snow plowing, etc.) at $599,337. This cost translates to $2.62 per square foot for these services. The mean per square foot cost among urban schools surveyed by the Commission is $2.26 per square foot. Among all schools surveyed it is $2.25 per square foot.

Engineer/custodians in the BPS are both civil service employees and private contractors under the terms of their contract with the school system. They are provided a budget with which they perform their duties, from which they are expected to hire employees to clean the schools, provide cleaning materials and purchase equipment. This equipment becomes their personal property, and they are permitted to keep funds not expended at the end of the school year.

There are wide variations of cleanliness and service quality among school buildings. Engineer/custodians report to the Assistant Superintendent for Plant Operations, and their work is inspected by one employee who is eligible to bid against engineer/custodians for school custodial contracts, and is in the same engineer/custodian's union. School principals have no supervisory authority over engineer/custodians. In the existing contract between the BPS and the engineer/custodians union there are no clear results-based standards and specifications regarding the work to be performed or the level of performance expected.

By union contract, engineer/custodians do not perform routine or minor building or equipment repairs, even if capable of doing so. These tasks are performed by tradespeople, who are paid considerably more than custodial staff. Even minor repairs, such as leaking faucets or broken windows, cannot be completed by engineer/custodians under the terms of the contract. Instead, a work order must be submitted and a tradesperson scheduled, frequently days or weeks later, to complete the work.

These skilled tradespeople repair and maintain BPS buildings and work out of the district's warehouse and maintenance headquarters, known as the Service Center. They are assigned to specific locations, based on work schedules developed by an assigned foreman in each trade's field. The assigned foreman assigns work, but does not have the authority to supervise work performance. According to school staff, prioritization of work orders is haphazard, with emergencies receiving top priority. The order in which these jobs are completed is sometimes determined by outside influence, and repairs are frequently put off for long durations because of their low priority status.

There is no automated control of work orders or maintenance materiel inventory. Tradespeople have unrestricted and unsupervised access to maintenance inventory which they order themselves, contrary to district policy. This inventory is in addition to the district purchased maintenance inventory valued at approximately $250,000. The fact that most tradespeople use their personal vehicles for transportation to the work site, and that they have unrestricted access to some of the repair inventory, leaves the district with serious flaws in its inventory control procedures.

The New York City school system, the only other district with a similar custodial system to the BPS, recently negotiated a new contract with its engineer/custodians. Among the new provisions in this contract, as summarized in a communication published by the Mayor of New York City, are the following:

The union has agreed that the Board shall have the right to open the cleaning of schools for competitive bidding.

The current system of evaluating custodians, which had been a task-based system, will be restructured to a performance-based system with minimum standards established which must be met by the custodian.

The duties and responsibilities expected of the custodian will be determined by the principal of the custodian's school on a school-by-school and as-needed basis. Custodial performance will be evaluated by the principal and the custodian must notify the Board of any outside employment.

A portion of any wage increases will be performance based. All equipment will be the property of the Board and its use must be authorized by the Board.

Performance controls including monitoring by time cards, improved record keeping, and purchase and inventory controls will be instituted.

Also, custodians have agreed to take on additional responsibilities in the environmental area including recycling.

Recommendation

Reduce the cost of cleaning, maintenance, and grounds care in the BPS to competitive levels by:

- Opening the cleaning of schools to competitive bidding.
- Implementing engineer/custodian contract revisions which effect the same changes as negotiated in the New York City custodian contract.
- Making those who supervise skilled tradespeople responsible for both work assignment and work supervision.
- Negotiating contract revisions with skilled tradespeople and engineer/custodians which permit custodial staff to perform routine maintenance and repairs.

- Automating work order scheduling and inventory control for tradespeople.
- Establishing procedures which restrict unsupervised purchasing and access by tradespeople to some maintenance and repair inventory.

Rationale

The 36¢ per square foot difference between the cost of building and grounds maintenance and cleaning in the BPS and the average cost for peer districts indicates the need for a revised custodial and/or maintenance system.

Without better control and more accountability, the district has no method of determining the quality of work performed or its cost effectiveness. The BPS has an obligation to the taxpayers to account for its expenditure of all monies received. Implementation of the intent of the NYC custodial contract provisions will provide BPS with this accountability and control.

The supervisors of tradespeople should have the authority to ensure that work is being done properly.

Automation of work scheduling for tradespeople will permit better control of the work.

Costs of cleaning and maintenance are high by peer standards. Using less expensive labor for routine maintenance will help reduce BPS costs.

Controlled access to inventory protects both the employee and management.

Estimate of Financial Impact

The following estimated savings reflect the 36¢ per square foot difference between the mean cost per square foot for custodial, grounds and maintenance services at urban school districts surveyed by the Commission (see peer information) and those costs at BPS.

Estimated Savings					
Year	**95/96**	**96/97**	**97/98**	**98/99**	**99/00**
Savings	-	$2,778,480	$2,778,480	$2,778,480	$2,778,480

Requirements for Implementation

This recommendation requires modifications of existing BPS employee labor contracts.

Peer Information

The cost per square foot of building and grounds maintenance and cleaning for each of the peer school districts is shown in table 4.1 below.

TABLE 4.1

PEER SCHOOL DISTRICT BUILDING MAINTENANCE COMPARISON
1993-94

School District	# of School Buildings	% of Buildings Constructed Prior to 1955	Total Square Footage of School Buildings	Total Maintenance & Repair Costs**	Cost Per Building	Cost Per Sq. Ft.
Buffalo	77*	77%	7,718,000	$20,238,306	$262,835	$2.62
Rochester	56	52	5,927,419	13,904,334	248,292	2.35
Syracuse	40	53	3,816,000	7,952,536	198,813	2.08
Cincinnati	152	58	9,100,000	21,448,700	141,110	2.36
Kansas City	NA	NA	NA	NA	NA	NA
Milwaukee	154	59	19,000,000	39,450,268	256,171	2.08
Minneapolis	78	63	7,300,000	17,076,797	218,933	2.34
Pittsburgh	95	23	8,384,225	19,305,109	203,212	2.30
St. Louis	130	98	10,000,000	24,900,000	191,538	2.49
Toledo	63	87	6,000,000	13,250,000	210,317	2.21
Kenmore/Tonawanda	21	50	1,731,274	2,098,809	99,943	1.21
Orchard Park	8	25	1,000,000	1,079,255	134,907	1.08
West Seneca	10	40	1,100,000	3,396,000	339,600	3.09
Williamsville	13	15	1,600,000	4,593,307	353,331	2.87
MEAN (Public)	68	61%	6,246,577	$14,037,926	$205,433	$2.25
MEAN (Urban)	96	63%	8,690,956	$19,660,968	$204,802	$2.26

*Excludes Makowski School because it has not yet opened.

**Costs include custodial, grounds and maintenance for all district buildings including schools.

NA = Not available.

Other

Savings generated by eliminating the maintenance inventory and initiating local purchases are included in Plant Services and School Planning recommendation #6.

2. Relamp School Buildings Using the Lowest Cost Financing Available.

Finding

The majority of BPS schools have fluorescent light fixtures and some incandescent lighting. Fluorescent light fixtures do not have electronic ballasts or high efficiency lamps installed. Rebates from manufacturers and utilities for relighting have been lost by not purchasing this equipment. Plant Services and School Planning division staff estimate that all but the newest district owned school building require relamping. Financing and grants to school districts for relamping projects may be available through the State Energy Office and the use of Energy Service Companies (ESCOs).

The current Waterfront school relighting project proposes to relight the school with new fixtures, high efficiency lamps and electronic ballasts. The project will be engineered, supervised and funded by the New York Power Authority (NYPA) with reimbursement to NYPA paid out of savings over several years.

NYPA charges the Buffalo School District 15% for audit, design and construction management costs, plus an additional 12.5% for NYPA project management and administration costs. In addition, the School District pays an interest charge of 6% for money, with resulting paybacks of six to eight years.

NYS Education Department aid for this project is $193,821, or approximately 54% of the total cost of $356,517.

Recommendation

Implement a relamping program in all school buildings which require relamping.

The BPS should actively seek State grants to reduce the cost of relamping and apply for manufacturer and utility rebates, where available, for new lighting equipment. The BPS should use project management and financing for future school relamping projects which are less expensive than those currently provided by NYPA.

Rationale

Relamping will save an estimated 25% in electricity for lighting. NYPA's overhead charges make it uneconomical for project management and financing purposes. ESCOs offer the same service, and can assist with financing at a much lower overhead.

Estimate of Financial Impact

A 25% savings in lighting costs translates to about 20% savings on the total electric bill. The New York State Energy office states, in Technology Guide to Energy Aid for Public Schools, that the installation of new lamp/ballast combinations will use from 10% to 40% less energy than older ballasts, depending upon the type of lamp/ballast used. The University at Buffalo experienced a 30% savings using moderately priced lamp/ballast equipment. Energy Service Corporations (ESCOs), which do energy conservation estimates and act as general contractors for projects, also routinely assist in arranging financing of the cost of relamping, and are repaid out of savings generated over the pay-back period.

The cost of relamping the district's school buildings, based on the cost per square foot at the Waterfront School, discounting the difference between the NYPA overhead and that of an ESCO, and discounted by the fact that about half the schools need only partial fixture replacement (rather than all new fixtures as does Waterfront, according to BPS personnel) is 61¢ per sq. ft. Total cost is $4,596,960 after deducting 54% State Education Department aid. When all district owned school buildings have been relamped, the district will save $925,000 per year of the current electric bill of $4,625,000. The estimated savings are based on relamping one third of the schools each year until completed. The savings will be greater if BPS is successful in securing any State Energy Office grant funding for this purpose.

Estimated Savings					
Year	**95/96**	**96/97**	**97/98**	**98/99**	**99/00**
Savings (Cost)	$(1,224,320)	$(916,320)	$(607,320)	$925,000	$925,000

Requirements for Implementation

This recommendation can be implemented completely by the Board and administration of the BPS.

Peer Information

Not applicable.

3. Establish a District-wide Energy Plan and Clearly Establish Responsibility for its Implementation.

Finding

The BPS spends $7,725,000 annually on electricity and heating fuels. There is no effective district-wide energy conservation plan or program in place. Engineer/custodians and other school personnel are not trained in basic conservation measures. Clear accountability is not established for energy usage, planning, and budgeting. The most cost effective lighting and appliances are not purchased as replacements. The least expensive fuel alternatives are not used when it is cost effective to do so.

Fluorescent lights are left on 24 hours a day in at least one school because the custodian was wrongly told, "years ago," that it requires more energy to turn them on and off. Also, some schools leave thermostats at a uniform setting day and night, controlling temperatures by opening and closing windows.

Recommendation

A high-profile program of energy conservation and awareness should be implemented. This program should have the active support and involvement of all district personnel, particularly engineer/custodians and skilled tradespeople, but also principals, teachers, students, and administrative staff. The district should seek assistance from Niagara Mohawk and National Fuel Gas. Such a program can be initiated with existing staff and at a negligible cost.

There should be clear staff responsibility and accountability established for control of energy usage planning, budgeting, and monitoring. A single energy coordinator, with appropriate management support, should coordinate the system-wide program.

BPS personnel trained in energy conservation should establish the specifications for all equipment, fixtures, and heating and air conditioning units. These specifications should be used for all replacement equipment purchases.

There should be a policy encouraging the use of the lowest cost fuel in buildings where alternative fuels may be burned.

Rationale

A district-wide energy conservation program is an easily implemented savings measure. Clarifying responsibility and authority for staff and management results in clearer measurement of performance.

Estimate of Financial Impact

Industry experts estimate that by instituting an Energy Awareness Program, establishing a protocol for engineer/custodians, and criteria for energy efficient replacement equipment, savings of between 3% and 15% may be realized. The variations in savings will stem from the responsiveness of the instructional staff and engineer/custodians, and the degree of variation in fuel costs within the year, and from year to year. Professionals from Niagara Mohawk, National Fuel, and engineering firms available to the commission recommended that 6% be used for these calculations based on the age of BPS facilities, inexperience of the staff with energy conservation, and the anticipated relamping. In 1993-94, the district's annual electrical usage was $4,625,000, and its fuel cost (oil, gas, coal) was $3,100,000.

Estimated Savings

Year	95/96	96/97	97/98	98/99	99/00
Savings	$463,500	$463,500	$463,500	$463,500	$463,500

Requirements for Implementation

This recommendation can be implemented completely by the Board and administration of the BPS.

Peer Information

Not applicable.

4. Implement Computer Routing of School Buses, Allowing for a Staff Reduction of 4 Positions. Rebid All Busing Contracts when They Expire in 1997.

Finding

The BPS provides transportation for its students, contracting with the Niagara Frontier Transportation Authority ($3,899,457), Laidlaw Transit ($3,690,000) and National School Bus Service ($12,612,115). The nature and cost of the individual contracts are shown in the chart below.

TABLE 4.2
BUSING COST BREAKDOWN (1993-94)

Category	Number Of Students Transported *	Total Cost	Cost Per Student
Public Transit (NFTA)	10,174	$ 3,899,457	$ 383
Special Education Busing	3,482	5,651,660	1,623
Desegregation Busing	20,751	9,852,667	475
Students with Children	81	304,221	3,756
Special Event Busing & Fuel Allocations		493,567	
TOTALS/AVERAGE	34,488	$20,201,572	$ 586

* Student census data as of August 11,1994.

The Buffalo Public Schools has not competitively bid its largest school bus contract package since 1981, and its second largest since 1986. State law permits school districts to extend contracts, which were originally competitively bid, indefinitely at an increase equal to the cost of living index or less, as may be negotiated, for five years at a time. Contracts, totalling $12,612,115 with National School Bus Company, will expire in June of 1995.

In September 1994, Transportation Advisory Services Inc. (TAS) was retained by the BPS to evaluate the contracted portion of the district's student transportation program. The following findings, made by the Commission prior to the release of the TAS study, are also findings in that study.

When the BPS did bid a contract, it limited its bid to two very large contract packages, which severely restricted the number of companies able to afford the capital investment required to enable them to bid for the work. These contracts also lacked specific requirements which, according to school busing consultants, would have permitted effective contract compliance monitoring. Provisions, protecting the district from price fluctuation, in federally required alternative fuels, are missing from current contracts. Also, the hours and mileage allowance provision within the contracts do not appear to be in line with actual usage.

The district is currently negotiating a multi-year contract extension with both existing contractors. The rationale BPS gives for this action is to attempt to secure a contract extension at a lower price than extensions at the cost of living would provide. Both TAS and BPS personnel believe that National School Bus is performing well in its current contract with BPS.

With a revised desegregation order announcement possible within a year, the district may face substantial changes in its bus routing. In 1994, the BPS purchased Versa Trans bus routing software which will permit it to route the buses more efficiently than the current manual system. Plans are to implement this new system over a two to three year period.

Recommendations

The following recommendations are also contained in the TAS report.

A comprehensive rebid of the BPS contract busing should be completed in time for the successful bidder to bus students in the 1997-98 school year. In order to accomplish this the district should:

- Extend the soon to expire contracts with National School Bus and Laidlaw Transit for two years, in order for them to expire at the same time as the remaining contracts with Laidlaw Transit, in June of 1997.

- Offer for bid in 1996 all its contractor owned busing service to begining in 1997-98. It should structure the bidding such that at least four separate contracts are available for bid in order to open the bidding to more competition. The bid should include specifications which will facilitate effective contract compliance monitoring.

- Use existing resources and place major management emphasis on implementing the new computer routing system in time for the 1995-96 school year rather than the 1996-97 school year as currently planned by the BPS.

The district should enter into more than a two year extension of its present contract with National School Bus, or any extension with Laidlaw Transit, only if it can negotiate an agreement which is 5% or more below the CPI increases. After implementation of the computerized bus routing system, the BPS should reduce staff, currently at eight positions, to four positions.

Rationale

Extending current contracts will permit the BPS to bid new contracts for all of its school busing at the same time in 1997. Putting all contracts up for bid at the same time should result in more competition for the BPS' business. More competition should translate into lower bid offers to the district, and the school busing consultants say four separate contractors can be managed without difficulty by the BPS.

Because National School Bus is performing well on its current contract, and because savings from a below CPI contract extension would be realized immediately, the BPS should continue to negotiate for a multi-year contract extension with National School Bus.

The primary reason for having the new bus routing system in place for the 1995-96 school year is to provide one full year of experience with the new system prior to drafting more accurate specifications for new bus contract bids to take effect in 1997. Also, routing changes may be necessitated by a new desegregation order, and having the computerized routing system in place will permit much more efficient and cost effective implementation of these changes. Further, the computerized routing system will require fewer people to implement annual routing changes.

Estimate of Financial Impact

Transportation specialists estimate that the combination of computerized routing, more bidding competition and better written contracts should result in at least a 5% reduction in cost versus extensions of the existing contracts. The total contractor owned bus contracts in 1993-94 were $16,302,115. A 5% savings amounts to $815,106.

Both recommendations above -- rebidding in two years or a below CPI extension of the existing contract -- will result in 5% savings. Savings from a contract extension would begin in the 1995-96 school year. The estimated savings assume a rebid to take effect in 1997.

The implementation of the VersaTrans bus routing software will not require additional personnel and will result in a reduction of personnel upon implementation in the 1996-97 school year from the existing staff of 8 to 4. At an average salary plus benefits of $45,000, savings are $180,000.

Estimated Savings

Year	95/96	96/97	97/98	98/99	99/00
Savings	-	$180,000	$995,106	$995,106	$995,106

Requirements for Implementation

This recommendation can be implemented completely by the Board and administration of the BPS.

Peer Information

In 1994 the BPS contracted with Transportation Advisory Services to evaluate the contracted portion of the district's student transportation programs. The contract comparisons which follow are taken from their final report to the BPS and from data developed by the Commission. See table 4.3.

TABLE 4.3
PEER SCHOOL DISTRICT BUS COST COMPARISON

School District	Total Number Of Buses *	Cost Per Bus *	Cost Per Student **
Buffalo	578	$28,147	$586
Rochester	360	40,278	558
Syracuse	200	40,179	549
Milwaukee	1,600	22,500	689
Philadelphia	348	32,826	965
Cheektowaga	29	35,100	599
West Seneca	121	27,712	397
Williamsville	140	34,279	399

* Includes contracted "yellow" buses and excludes public transit costs for all schools.
** Includes all busing costs, public or contract, for all schools.

5. Eliminate the Need for 4 Positions by Adjusting the Vehicle Mechanics' Work Load and Schedules and Outsourcing Vehicle Fueling.

Finding

The 100 on-road and 35 off-road vehicles owned by the BPS are serviced by 8 mechanics, of which 6 work from 7:00 A.M. to 3:00 P.M., when most of the vehicles are in service. Only 2 mechanics work from 2:00 P.M. to 10:00 P.M.

Industry standard, as applied by large fleet users, calls for a ratio of one mechanic to 31 vehicles (1:31). BPS has a 1:17 ratio. Maintenance procedures, such as oil changes and lawn mower maintenance, are performed more often than manufacturers' recommended intervals. In-house versus out-of-shop work decisions do not result in cost effective repairs.

The Buffalo Public School District has its own fuel pumping station staffed by one employee. There is no fuel card or other fuel dispensing monitoring system which tracks usage and permits accountability for fuel use. The fueling facility has no electronic leak detection equipment, and the BPS risks liability due to changing environmental laws and regulations.

Recommendation

Rearrange mechanic work hours such that the majority of the mechanics work from 2:00 P.M. to 10:00 P.M., when the vehicles are not in use. Reduce staff fleet maintenance mechanics by three positions, increasing mechanic to vehicle ratio from 1:17 to 1:27. Implement industry standard and the manufacturers' recommended maintenance procedures (i.e., oil change intervals, off road vehicles and equipment maintenance, etc.). Outsource all transmission repair work.

Purchase fuel from an outside vendor and dispense at vendor's locations. Eliminate the gas dispenser position. Implement a fuel monitoring card system to track usage and to audit outside contractor.

Rationale

Matching mechanic work schedules with vehicle availability affords more efficiency in the operation.

Using an outside dispenser of fuel avoids the considerable expense and liability involved with environmental regulation compliance without increasing costs.

Estimate of Financial Impact

Reduce mechanic staffing by 3 positions with average annual salary and benefits of $34,026 each. Eliminate the fuel dispenser position with annual salary and benefits of $34,026.

Estimated Savings					
Year	**95/96**	**96/97**	**97/98**	**98/99**	**99/00**
Savings	-	$136,104	$136,104	$136,104	$136,104

Requirements for Implementation

This recommendation requires modifications of existing BPS employee labor contracts.

Peer Information

The mechanic to vehicle ratio for each of the peer districts is shown in table 4.4.

TABLE 4.4
PEER SCHOOL DISTRICT VEHICLE TO MECHANIC RATIOS

School District	Number of Mechanics	Number of School Owned Vehicles (Does not include Lawn Mowers)	Number of Vehicles per Mechanic
Buffalo	8	135	17:1
Rochester	10	234	23:1
Syracuse	5	116	23:1
Cincinnati	3	106	35:1
Kansas City	NA	NA	NA
Milwaukee	3	215	72:1
Minneapolis	10	150	15:1
Pittsburgh	4	102	26:1
St. Louis	2	86	43:1
Toledo	6	140	23:1
Kenmore/Tonawanda	7	103	15:1
Orchard Park	3	90	30:1
West Seneca	7	103	15:1
Williamsville	3	128	43:1

NA = Not available.

6. Eliminate the $1.6 Million School Supply Inventory and 18 of 28 Positions Required to Control and Deliver the Inventory, and Replace with a Direct Vendor to Schools Supply System.

Finding

The vast majority of materiel and supplies purchased during the year ($1.6 million) for support of school buildings and instructional staff are stored at the Service Center and delivered to the schools. Delivery often takes two to three weeks because of a cumbersome requisition process requiring four signatures before an in-stock item is delivered. This delivery time lag is exacerbated by a serious out-of-stock condition at key times of the year. On August 30, 1994, one week prior to the opening of school, over 100 routinely used items were out of stock.

One of the contributing causes to this situation is a budgeting procedure which does not permit ordering of supplies to take place until individual schools have transferred funds to the Service Center account, against which they may order. This cumbersome procedure results in either a frequent out-of-stock condition or the ordering of large quantities of items to hedge against the slow procurement process.

The $1 million of on-hand inventory turns over less than 1.5 times per year in a time when many service businesses keep no inventory of office supplies on hand, instead using direct delivery by vendors. It costs 88¢ to purchase and deliver $1 of supplies to the schools, compared to a typical retail operation of under 6%, including purchasing, payables, delivery, and inventory and stock control personnel and equipment.

Recommendations

Reduce staff involved in the storing and delivery of inventory by reducing the number of items and value of the items which are stocked at the service center. Identify items which are available from vendors willing to deliver directly to the schools.

Negotiate a purchasing agreement with vendors which allows ordering of school supplies for opening day.

Reduce stock level by 90% by utilizing existing inventory without replenishing it or selling it to vendors, and disposing of obsolete items.

Rationale

Private corporations and many public institutions have substantially reduced their cost of inventory by requiring vendors to supply their needs on a "just-in-time" basis. Office supply vendors have prompt delivery capability and the district can save a considerable amount of money by taking advantage of it.

The maintenance materiel inventory will not be entirely eliminated as there are some items for older district equipment which are difficult to acquire and must be kept in stock. These items, plus those supply items more economically maintained in stock, will result in a need for less than 10% of the current inventory to be retained in stock.

Estimate of Financial Impact

If the purchasing department begins to seek out local vendors to implement this recommendation during the 1994-95 school year, savings should begin to accrue in the 1995-96 school year. Also, in the 1995-96 school year, a one time savings of $750,000 can be realized by selling and/or using, without replenishing, at least three-quarters of the existing inventory. With the sale of the inventory, personnel and equipment savings also would begin in the 1995-96 school year.

Inventory Delivery Costs/Service Center

Title	Salary	Savings
Supervisor Serv. Ctr.*	$44,115	$44,115
Senior Inv. Clerks (2)	27,398	54,796
Typists (2)	23,172	46,344
Sr. Stock Clerks (2)	25,337	50,674
Laborers (2)	23,871	47,742
Princ. Stock Clerk	28,646	28,646
Stock Clerks (6)	23,871	143,226
Truck Driver	25,337	25,337
Laborer	23,871	23,871
Overtime	32,755	32,755
Sub-total		$497,506
Benefits		124,377
Personnel Sub-total		$621,883
Vehicle and Shipping Costs		
Employee Mileage	$20,151 @ 25%	$5,038
Shipping and packaging	9,994 @ 80%	7,995
Supply truck maintenance	30,439 @ 25%	7,610
Fuel	16,836 @ 25%	4,209
GRAND TOTAL SAVINGS		$646,735

* Note: Principal Inventory Clerk will assume Supervisor of Service Center responsibilities.

Estimated Savings					
Year	**95/96**	**96/97**	**97/98**	**98/99**	**99/00**
Savings	$1,396,735	$646,735	$646,735	$646,735	$646,735

Requirements for Implementation

This recommendation can be implemented completely by the Board and administration of the BPS.

Peer Information

Not applicable.

Other

Savings from reduction in purchasing and accounts payable personnel are included in the Division of Finance, Personnel and Administrative Services section of this report.

7. Replace the Boiler in South Park School and Eliminate One Boilermaker Position.

Finding

The boiler in South Park School #206 is highly energy inefficient, and is in such a state of disrepair that it requires the full-time care of a skilled boilermaker, who is paid $60,000 per year.

A comparison of current expenditures for fuel at School #206 and the minimum efficiency performance of a new boiler indicates an energy savings of about $40,000 per year.

Recommendation

Replace the boiler in School #206, enabling the elimination of one full-time boilermaker tradesperson.

Rationale

Implementation of this recommendation will result in cost savings in energy usage and better utilization of skilled tradespeople.

Estimate of Financial Impact

The total cost of the purchase ($500,000) and installation ($400,000) of the new boiler is $900,000, of which at least 76% will be reimbursed from State building aid (1994 State Building Aid % for BPS) leaving $216,000 to be paid out of the BPS budget. Annual operations and maintenance savings will be $100,000 per year, of which energy savings will be about $40,000 per year and a boilermaker paid at $60,000 per year. The installed cost of the boiler after state aid will be recovered in slightly over two years.

Estimated Savings

Year	95/96	96/97	97/98	98/99	99/00
Savings	$(116,000)	$100,000	$100,000	$100,000	$100,000

Requirements for Implementation

This recommendation can be implemented completely by the Board and administration of the BPS.

Peer Information

Not applicable.

8. Close School 75 (Administration Building) and Eliminate or Transfer Staff.

Finding

School 75 is the BPS location name used to identify an administration building, which houses administrators from a number of BPS divisions. There are no students in School 75.

The building is in general disrepair, lacks adequate parking facilities, and is not used to capacity. Additional capital expenditure is not a wise investment according to BPS staff.

The used text book depository's holdings and personnel, housed in School 75, are under-utilized. Often textbooks remain in storage at the depository for several years, while those books that are older or heavily damaged are donated to local not-for-profit groups and correctional facilities.

Recommendation

The district should close School 75. Staff positions currently located in the building should be eliminated or transferred to new locations.

Close the book depository and eliminate the two staff positions associated with it. Give students the books currently handled by the depository at the end of the school year as an alternative method of dispersing the books.

Rationale

Relocation of staff to other locations removes the reason for keeping this building open.

The old books in storage there are seldom used and staff cannot be justified.

Estimate of Financial Impact

Elimination of the two positions at the book depository will save $79,866 in salary and benefit costs annually. Annual costs for maintenance and engineering are $97,541 and for utilities they are $54,345.

Estimated Savings

Year	95/96	96/97	97/98	98/99	99/00
Savings	$231,752	$231,752	$231,752	$231,752	$231,752

Requirements for Implementation

This recommendation can be implemented completely by the Board and administration of the BPS.

Peer City Information

Not applicable.

Other

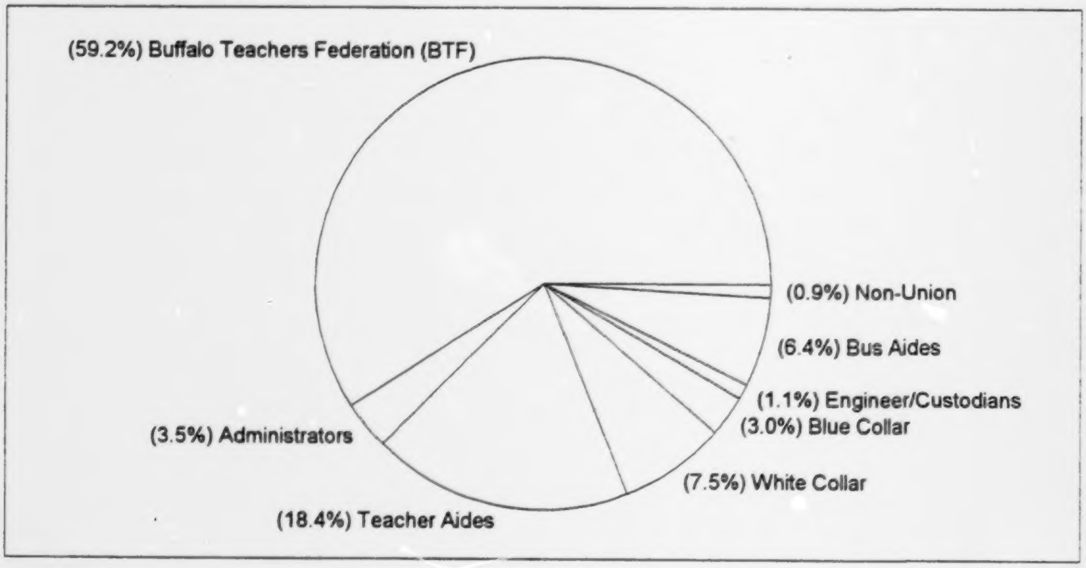
The transfer or elimination of other staff positions housed in School 75 is addressed within the Instructional Services and Finance, Personnel and Administrative Services sections of this report.

Labor Relations, Compensation, and Benefits
Background

In 1993-94, the BPS spent $218.8 million and $66.6 million, respectively, for employee payroll and benefits. The Buffalo Public School District (BPS) has 6,798 employees and utilizes 1,000 substitute teachers and substitute teacher aides. Eight bargaining units, representing 7,735 of the 7,798 employees and substitutes, negotiate union contracts with the BPS. The breakdown of employee affiliation is shown in Table 5.1.

TABLE 5.1

EMPLOYEE AFFILIATION BY UNION (EXCLUDING SUBSTITUTE TEACHERS)



In addition to union personnel, the BPS employs 57 tradespeople (i.e. plumbers, carpenters, electricians, etc.), who are paid the prevailing private sector union wage for their particular trade. These employees do not receive any benefits provided by the BPS other than pension benefits through the NYS and Local Employees' Retirement System.

The remaining six non-union employees, who either work under individual contracts signed with the BPS or serve at the pleasure of the Board, are: the Superintendent, the three Associate Superintendents (one of which is currently vacant), the Executive Assistant to the Superintendent, and the Director of Labor Relations (currently vacant).

There are 612 non-BPS employees, who work for the engineer/custodians to clean schools and maintain school grounds.

Currently, there are 5 settled and 3 unsettled union contracts. However, two of the contracts expire in the current fiscal year. The table below illustrates the status of each bargaining unit's contract.

TABLE 5.2

UNION CONTRACTS STATUS

UNION	EXPIRATION DATE OF MOST RECENT CONTRACT
SETTLED:	
Buffalo Teachers Federation (BTF)	June 30, 1996
Buffalo Council of Supervisors & Administrators (BCSA)	June 30, 1995
Professional, Clerical, Technical Employees Association (PCTEA)	June 30, 1996
Transportation Aides of Buffalo (TAB)	June 30, 1998
Local 264 (Blue Collar)	June 30, 1995
UNSETTLED:	
Buffalo Educational Support Team (BEST)	June 30, 1992
Local 409 (Engineer/custodians)	June 30, 1991
Substitutes United of Buffalo (SUB)	June 30, 1991

The New York State Taylor Law does not provide for imposed settlement of labor contracts for school boards. This is in contrast to New York State municipal governments, for which police and fire contract settlements can be imposed by an arbitration panel and other municipal union contract settlements can be imposed by a legislative body (e.g., common councils, county legislatures, etc).

The Commission reviewed but did not make specific recommendations regarding the wage and salary structures of the BPS employees. Table 5.3 shows the average salary for staff in each of the unions. Appendix C is presented to enable the reader to understand the components which make up the BPS's payroll costs.

TABLE 5.3
AVERAGE SALARY BY UNION (1994-95)

UNION	AVERAGE SALARY
SETTLED:	
Buffalo Teachers Federation (BTF)	$45,299
Buffalo Council of Supervisors & Administrators (BCSA)	$66,726
Professional, Clerical, Technical Employees Association (PCTEA)	$27,838
Transportation Aides of Buffalo (TAB)	$5.50 to $6.45 per hour
Local 264 (Blue Collar)	$25,723
UNSETTLED:	
Buffalo Educational Support Team (BEST)	$11,631
Local 409 (Engineer/custodians)	$30,633
Substitutes United of Buffalo (SUB)	$63 per day (Teachers) $35 per day (Teacher Aides)

The following table illustrates automatic annual salary increases for teachers, excluding negotiated raises. This information is effective for the 1994-95 school year.

TABLE 5.4

ANNUAL SALARY INCREASES AVAILABLE TO TEACHERS, IN ADDITION TO UNION NEGOTIATED INCREASES

YEARS OF SERVICE	SALARY SCHEDULE (1)	SALARY	% INCREASE FROM PRIOR YEAR (2)
New Employee	Bachelors Degree (BS)	$24,952	-
1	BS + 10 hours	26,960	8.0%
2	BS + 20 hours	28,968	7.4
3	BS + 30 hours	30,977	6.9
4	BS +40 hours	32,985	6.5
5	Masters Degree (MS)	34,721	5.3
7-15 and every two years thereafter through 31 years	MS / MS +30 hours/ Doctorate		$1,248 or 5.0% of step 1 with B.S. degree

NOTES:

(1) Assumes teacher earns 10 graduate hours per year and attains a Masters Degree in five years, as is required to maintain New York State certification for teaching.

(2) Salary increases for all employees in increments of 5%, from entry level (Step 1), for each year of service to the BPS. Additional increase, to figure shown, is based on educational adjustment paid for every 10 graduate hours earned ($76.08 per graduate hour).

A summary of the types of benefits and actual 1993-94 BPS costs to provide them follows.

TABLE 5.5
EMPLOYEES BENEFITS AND COSTS
1993-94

TYPE OF BENEFIT	1993-94 EXPENDITURES ($ MILLION)
Health Insurance:	
Active Employees	$23.4
Retirees	4.4
Pensions	15.8
Workers' Compensation	2.9
Supplemental Benefits (e.g. dental, vision, etc.)	1.8
Unused Sick Leave Buy-Back	1.0
Supplemental Life Insurance	0.2
Payroll Taxes & Misc. (e.g. FICA, Unemployment Insurance, etc.)	17.1
TOTAL	$66.6

The assessment of the labor relations, compensation, and benefits functions focused on the following areas:

- Health insurance benefits provided to active employees
  The overall administration and level of the BPS health insurance benefits were reviewed and recommendations made to reduce cost without significantly impacting benefits levels, by limiting the employer's contribution to 100% of the cost of the least expensive of the four health insurance plans offered (or making a less expensive plan available), and by providing an incentive payment for employees who have duplicate coverage to waive their right to BPS provided health insurance.

- Leave time
  The administration of leave time and the utilization of sick time were reviewed. Recommendations were made to significantly reduce leave time usage by improving management practices. Leave time allowed under the terms of the union contracts was not altered.

- Health insurance benefits provided to retirees
  While current retiree benefits levels cannot be amended or renegotiated, the administration of those benefits can be improved by eliminating duplicate prescription coverage.

- Workers' Compensation
  The utilization, administration, and level of benefits provided by the BPS to staff receiving Workers' Compensation benefits were assessed. Recommendations were made to reduce costs without reducing benefits allowed by introducing safety programs, better managing the claims process, and providing incentives for employees to return to work.

- Other insurance coverages
  In addition to health insurance coverage, the BPS provides life and disability insurance benefits to its employees. These benefits were assessed and recommendations made to eliminate duplicate coverage.

- Labor Relations
  The effectiveness of grievance procedures was assessed and recommendations made to improve relations and reduce the time and money spent on these matters.

- Opportunities to increase employee benefits without additional cost to the BPS
  Introduction of a flex plan is recommended as part of a comprehensive restructuring of benefits. A flexible benefits plan will significantly improve the benefits package offered to employees.

Overall, BPS personnel were cooperative. However, the Commission's assessment of the area of labor relations, compensation, and benefits was hampered by the inability of BPS staff to provide meaningful management information. For example, the BPS staff could not provide data which documents the total cost of the district's Workers' Compensation claims activity, nor demonstrates effective control over the utilization thereof.

RECOMMENDATIONS WITH DIRECT FINANCIAL IMPACT

1. **Reduce the Cost of Health Insurance for Active Employees and Future Retirees by:**
   a. **Limiting the Employer's Contribution to 100% of the Cost of the Least Expensive Health Insurance Plan Currently Available, with Employees Paying the Difference if They Elect a More Expensive Plan**
   b. **Changing the Least Expensive Health Insurance Plan Currently Available (Independent Health's Gold Plan) to Independent Health's Silver Plan**

Finding

In 1993-94, the BPS spent $23.4 million for health insurance premiums for active employees and an additional $4.4 million for retirees. Based on June 1994 enrollment and premium data, original 1994-95 projected costs represented an increase of 6% to $24.8 million for active employees. However, subsequent renegotiation (effective November 1, 1994) of the Buffalo Teachers Federation (BTF) members' Blue Cross/Blue Shield (BC/BS) coverages lowered these projections back to the 1993-94 level, as shown in the table below.

TABLE 5.6
PROJECTED HEALTH INSURANCE COSTS (1994-95)

PLAN	JUNE 1994 ENROLLMENT			MONTHLY PREMIUM *		ANNUAL COST PER EMPLOYEE		TOTAL ANNUAL PREMIUM COST
	Single	Family	Total	Single	Family	Single	Family	
Independent Health - Gold Plan	337	1,188	1,525	$125.00	$347.00	$1,500	$4,164	$5,452,332
Community Blue	147	752	899	126.66	351.27	1,520	4,215	3,393,289
Health Care Plan	124	308	432	129.60	361.34	1,555	4,336	1,528,357
Total HMO's	608	2,248	2,856			$1,516	$4,205	$10,373,978
Blue Cross/Blue Shield								
BTF	515	1,554	2,069	$185.65*	$417.10*	$2,228	$5,005	$8,925,398
BCSA	32	109	141	181.03	407.61	2,172	4,891	602,669
Local 264	42	46	88	181.56	407.87	2,179	4,894	316,650
Local 409	3	35	38	222.32	473.41	2,668	5,681	206,836
PCTEA	80	132	212	183.90	414.19	2,207	4,970	832,621
BEST	87	322	409	219.64	468.67	2,636	5,624	2,040,245
Total BC/BS	759	2,198	2,957			$2,596	$5,652	$12,924,419
TOTALS/AVERAGE	**1,367**	**4,446**	**5,813**			**$2,116**	**$4,920**	**$23,298,397**

* BC/BS monthly single and family coverages were $225.85 and $482.55, respectively, prior to November 1, 1994. Renegotiation of coverages lowered original 1994-95 cost projections by $1.5 million.

Similar to what the Commission found in its assessment of the City of Buffalo, the health insurance benefits provided by the BPS are generous compared to peers and private sector benefits levels. In only one peer school district did the employer practice the same policy as BPS, paying 100% of any plan chosen by its employees. (See Table 5.11.) In addition, the BPS is mandated by several union contracts to provide insurance through a specific insurer; thus, the BPS cannot take advantage of substantial price competition existing among insurers.

All of the HMO programs currently offered are at the provider's highest level of coverage available. Also, all present BPS health insurance plans require little out-of-pocket expense to employees.

Currently, the least expensive health insurance plan offered by the BPS is Independent Health's (IH) Gold Plan. Based on current enrollment figures (1,367 single and 4,446 family), Table 5.8 below shows the annual cost of the least expensive plan available from each present insurance carrier. This table also shows the potential savings each plan would offer, if all enrollees were in that plan or the BPS paid 100% of only that plan, compared to the projected 1994-95 costs of $23.3 million, per table 5.6 above.

TABLE 5.7
POTENTIAL HEALTH INSURANCE COST SAVINGS

PLAN	ANNUAL PREMIUM SINGLE	FAMILY	ANNUAL PREMIUM	POTENTIAL SAVINGS
Independent Health Gold Plan	$1,500	$4,164	$20,563,643	$2,734,754
Community Blue	1,520	4,215	20,818,688	2,479,709
Health Care Plan	1,555	4,336	21,404,170	1,894,227
Blue Cross/Blue Shield *	2,172	4,891	24,716,425	(1,418,028)

* The current least expensive Blue Cross/Blue Shield plan provided is that of the administrators (BCSA) union.

Only the PCTEA union contract requires that the BPS pay for the least expensive health insurance plan available for that union's new hires/members (effective July 1, 1993). The price difference between the least expensive plan and the coverage these members select is paid for by the employee.

Independent Health offers an additional plan, IH Silver, which would cost the BPS less than the current IH Gold Plan.

No annual deductibles, for single or family coverage, are required in either IH plan. Co-payment requirements are different between the plans, as shown in Table 5.8.

TABLE 5.8
IH GOLD VS. IH SILVER CO-PAYMENT REQUIREMENTS

TYPE OF SERVICE	IH GOLD	IH SILVER
Ambulance service	$ 0	$25
Emergency services (other than emergency room, which does not change)	$ 8	$10
Doctor's office visit	$ 8	$10
Prescription drugs	$ 1	$ 7
Outpatient mental health care	$15, visits 1-5 50% of cost, next 15 visits	50% of cost, maximum of 20 visits

The Commission recommended the IH Silver Plan be offered in its assessment of the City of Buffalo.

Recommendations

a. As recommended in the Commission's assessment of the City of Buffalo, the BPS should reduce the cost of health insurance for active employees and future retirees by limiting its employer's contribution to 100% of the cost of the least expensive health insurance plan currently provided, the IH Gold Plan. Employees should be required to pay the cost for coverage above this amount, if they choose one of the more costly plans available.

   Appropriate seminars/meetings should be conducted with all employee groups, with the assistance from insurance representatives, to help them understand how this recommended change will individually affect them.

b. Also, as recommended in the Commission's assessment of the City of Buffalo, the BPS should reduce the cost of its least expensive plan by switching coverage from the IH Gold Plan to the IH Silver Plan for its employees. The BPS should pay 100% of the cost of IH Silver. Employees should be required to pay the cost for coverage above this amount, if they choose one of the more costly plans available.

   Again, appropriate seminars/meetings should be conducted with all employee groups, with the assistance from insurance representatives, to help them understand how this recommended change will individually affect them.

This policy should be applied to all current employees, new hires, and future retirees.

Rationale

This recommendation will enable employees to continue having 100% employer provided health insurance while reducing BPS benefits costs significantly.

Estimate of Financial Impact

a. Limiting the Employer's Contribution to 100% of the Cost of the Least Expensive Health Insurance Plan Currently Available, with Employees Paying the Difference if They Elect a More Expensive Plan

No estimate of savings is shown for FY 95/96 because it is assumed that implementation of this recommendation will require negotiation of union contracts.

Paying 100% of only the least expensive plan currently available, which is the IH Gold Plan, will reduce the annual cost BPS currently pays for employee health insurance by $2.7 million, as shown in table 5.9.

TABLE 5.9
SAVINGS BY PAYING 100% FOR ONLY INDEPENDENT HEALTH (GOLD)

PLAN	ENROLLMENT			JUNE 1994 MONTHLY PREMIUM		SAVINGS/MONTH (Employee Contribution)		TOTAL ANNUAL SAVINGS
	Single	Family	Total	Single	Family	Single	Family	
Independent Health - Gold Plan	337	1,188	1,525	$125.00	$347.00	$0.00	$0.00	$0
Community Blue	147	752	899	126.66	351.27	1.66	4.27	41,461
Health Care Plan	124	308	432	129.60	361.34	4.60	14.34	59,845
Blue Cross/Blue Shield								
BTF	515	1,554	2,069	$185.65	$417.10	$60.65	$70.10	$1,682,042
BCSA	32	109	141	181.03	407.61	56.03	60.61	100,793
Local 264	42	46	88	181.56	407.87	56.56	60.87	62,106
Local 409	3	35	38	222.32	473.41	97.32	126.41	56,596
PCTEA	80	132	212	183.90	414.19	58.90	67.19	162,973
BEST	87	322	409	219.64	468.67	94.64	121.67	568,937
TOTALS	1,367	4,446	5,813					$2,734,754

Estimated Savings					
Year	95/96	96/97	97/98	98/99	99/00
Savings	$ -0-	$2,734,754	$2,734,754	$2,734,754	$2,734,754

b. Changing the Least Expensive Health Insurance Plan Currently Available (Independent Health's Gold Plan) to Independent Health's Silver Plan

No estimate of savings is shown for FY 95/96 because it is assumed that implementation of this recommendation will require negotiation of union contracts.

Changing the least expensive plan from IH Gold to IH Silver will reduce the annual cost BPS currently pays for employee health insurance by an additional $4.5 million (see Table 5.10), for a total savings of $7.2 million.

TABLE 5.10
ADDITIONAL SAVINGS BY CHANGING LEAST EXPENSIVE HEALTH INSURANCE PLAN TO INDEPENDENT HEALTH (SILVER)

PLAN	ENROLLMENT Single	Family	MONTHLY PREMIUM Single	Family	ANNUAL PREMIUM
Independent Health - Gold Plan	1,367	4,446	$125.00	$347.00	$20,563,643
Independent Health - Silver Plan	1,367	4,446	97.06	270.68	16,033,490
ADDITIONAL SAVINGS					**$4,530,153**

Estimated Savings					
Year	**95/96**	**96/97**	**97/98**	**98/99**	**99/00**
Savings	$ -0-	$4,530,153	$4,530,153	$4,530,153	$4,530,153

Requirements for Implementation

These recommendations require modifications of existing BPS employee labor contracts.

Peer Information

Peer school data used in this assessment show that some districts pay 100% of the cost of the least expensive plan only, with the employee paying the difference between their plan choice and the least expensive plan, as shown in the table below.

All, except for one, of the peer districts require a greater employee contribution to the cost of health insurance than BPS does.

TABLE 5.11
SCHOOL DISTRICTS' POLICIES ON LEAST EXPENSIVE PLANS

School District	Do Employers Pay For Only the Least Expensive Plan?
Buffalo	Board pays cost of least expensive insurance coverage offered for PCTEA union members hired after July 1, 1993. 100% of coverage is paid for all other employees.
Rochester	Board requires new employees after 1990 to pay 15% of all plans.
Syracuse	Board requires employees to make some contribution to all plans.
Cincinnati	Employees pay a portion (about 7%) of all health insurance offered.
Kansas City	Board pays 100% of single coverage for two least expensive plans; all others require 24% to 70% employee contribution.
Milwaukee	Board pays 100% of all plans.
Minneapolis	Board pays 100% of only single coverage and requires employees to pay over 50% of all family coverage.
Pittsburgh	Board pays 100% of least expensive single coverage; all others require 3.5% to 25% employee contribution.
St. Louis	Board pays 100% of only single coverage and requires employee to pay over 50% of all family coverage.
Toledo	Board offers only one plan, paying 100% of single and 95% to 97% of family coverage.
Kenmore/Tonawanda	Employees pay for 3% to 5% of only plan offered.
Orchard Park	Board requires employees to pay 5% of all plans.
West Seneca	Board only pays $3,624/teacher/year and requires Civil Service and Administrative employees to pay 3% (base plan)
Williamsville	Board pays 100% of the two least expensive plans and requires 5% employee contribution for all others.

2. Reduce the Cost of Health Insurance by Providing an Incentive Payment to Employees who have Duplicate Coverage under a Spouse's Policy and Waive Their Right to BPS Provided Health Insurance.

Finding

The BPS ratio of employees with family insurance coverage to those with single coverage is 3 to 1. The cost of providing family insurance coverage is significantly more than that of single plans, approximately $3,000 higher for BC/BS and $2,700 higher for HMO family plans (see table 5.6). Because health care out-of-pocket expenses are low for BPS employees, most employees opt to retain coverage through BPS, rather than obtaining it elsewhere (e.g., through a spouse who can receive family coverage through his/her employer).

Currently, a $60 per month ($720 annually) "in lieu of" incentive is offered to both white collar and blue collar employees, while teachers aides may receive $40 per month ($480 annually) when they opt out of BPS provided health insurance plans. "In lieu of" payments are not included in any other BPS labor contracts. During 1994, the BPS provided "in lieu of" payments for 43 employees (3% of those eligible) who elected to waive BPS health insurance coverage. By comparison, 228 City of Buffalo employees, representing 8% of those eligible, selected this incentive over City provided health care coverage.

Every January, the BPS offers an open enrollment period during which eligible employees may choose the "in lieu of" payment, or change their health insurance plan.

Recommendation

The BPS should provide an annual incentive, payable prior to the December holidays, for all eligible full time employees who waived their right to BPS provided health care coverage for that calendar year. Further, employees should be required to provide proof of other health insurance coverage (i.e., through a spouse's employer) at the time they elect to waive coverage, protecting the BPS from any future claim/liability that an employee might have been coerced into giving up insurance coverage he/she would otherwise have been entitled to.

An annual bonus payment of $1,000 is recommended. This is equal to approximately one-third of the family health insurance premium under the IH Silver Plan ($3,248), and it is equal to the highest "in lieu of" payment currently offered to City of Buffalo employees.

Provide this benefit to only those employees who are or become entitled to health care coverage. Thus, for example, married employees both working for the Board would not be eligible to receive this bonus payment because the existing contract does not allow both to receive BPS provided health insurance.

Rationale

The BPS can offer its employees an annual incentive while realizing a significant savings by implementing this program. The recommended "in lieu of" payments should provide a reasonable incentive for employees to opt out of BPS offered health plans, saving the BPS approximately $2.25 in health insurance costs for every $1.00 it will spend on this incentive program. An effective "in lieu of" program can significantly reduce costs without impacting benefits levels.

Also, payment in December, just prior to the January open enrollment period, will facilitate a higher participation rate in the "in lieu of" program.

Estimate of Financial Impact

Assuming that the BPS will pay 100% of only the least expensive plan offered, (IH Silver per Benefits' Recommendation #1), the BPS will save $2,248, net, for each employee who elects to choose the "in lieu of" payment. Based on the City of Buffalo's recent experience, it is estimated that 359 BPS employees (8% of eligible) will choose to accept the "in lieu of" payment, resulting in gross annual savings of $807,032. This savings will be offset by an increased payment of $17,280 required for the 48 individuals who currently participate in the incentive program.

No estimate of savings is shown for FY 95/96 because it is assumed that implementation of this recommendation will require negotiation of union contracts.

Estimated Savings

Year	**95/96**	**96/97**	**97/98**	**98/99**	**99/00**
Savings	$ -0-	$789,752	$789,752	$789,752	$789,752

Requirements for Implementation

This recommendation requires modification of existing BPS employee labor contracts.

Peer Information

Incentive payments offered employees who waive health insurance coverage for peer city school districts is shown in the table below.

TABLE 5.12

School District	Is Incentive Offered?	Amount	"In Lieu of" Participation
Buffalo	Yes (PCTEA, Local 264 & BEST)	$480 - $720	3%
Rochester	No	$0	NA
Syracuse	No	$0	NA
Cincinnati	No	$0	NA
Kansas City	No	$0	NA
Milwaukee	Yes	$500	1%
Minneapolis	No	$0	NA
Pittsburgh	Yes, some employees	$1000	3%
St. Louis	No	$0	NA
Toledo	No	$0	NA
Kenmore/Tonawanda	Yes	1/3 of Coverage	20%
Orchard Park	Yes	$400 - $800	8%
West Seneca	No	$0	NA
Williamsville	Yes, some employees	$400 - $500	8%

NA = Not applicable

3. Reduce Employee and Employer Payroll Tax Costs by Offering Employees a New Benefit in the Form of a Flexible Medical and Dependent Care Spending Reimbursement Account.

Finding

The BPS does not offer a flexible spending account program to its employees. The federal government (under Section 125 of the Internal Revenue Code) allows an employer to sponsor such a program so that employees can pay eligible expenses without being taxed on those dollars.

A major benefit of such a program is that it allows employees to use before-tax dollars to pay for non-covered medical expenses (i.e. medical deductibles, co-insurance, dental expenses, vision care, etc.), and/or adult or child dependent care. Also, if Benefits' Recommendation #1 is implemented, in which the Board pays 100% of only the least expensive health insurance plan offered, employees could elect more expensive coverage and use before-tax dollars to pay their portion of such coverage premiums.

Employers benefit from implementing flexible spending account programs for their employees through lower employer payroll tax costs. Employers generally save enough in payroll taxes to cover the cost of third party administration of the plan.

Recommendation

BPS should implement a flexible spending benefits plan for its employees only as part of a comprehensive restructuring of benefits administration.

Rationale

Employee benefit levels can be measurably increased without additional cost to the BPS.

The ability to re-direct dollars that are already being spent on family needs with pre-tax dollars has made such programs popular with employees.

Estimate of Financial Impact

Based on the recent experience of Erie County school districts that have initiated flexible spending account programs, it is estimated that 30% of eligible employees will enroll in the program for medical out-of-pocket expenses at an average annual amount of $500, and 6% of all full time employees will enroll in the dependent care expense program at an average annual amount of $4,000. No estimate of savings is shown for FY 95/96 because it is assumed that implementation of this recommendation will require negotiation of union contracts.

BPS will realize direct financial savings from implementing this recommendation through a reduction in employer payroll tax costs, as follows:

Flexible Spending Accounts	
Medical, dental and vision care deductibles, co-pays, non-covered expenses (5,813 enrollees @ 30% x $500 each)	$ 872,000
Dependent adult and/or child care (6,798 less 57 tradespeople @ 6% x $4,000 each)	1,616,000
Total Flexible Spending Accounts	**$2,488,000**
FICA Tax Savings (0.0765 of flex dollars)	$ 190,332
Less cost of third party administrator	70,000
TOTAL SAVINGS	**$ 120,332**

Estimated Savings					
Year	**95/96**	**96/97**	**97/98**	**98/99**	**99/00**
Savings	$-0-	$120,332	$120,332	$120,332	$120,332

Requirements for Implementation

This recommendation requires modifications of existing BPS employee labor contracts.

Peer Information

Flexible spending account plan availability in peer school districts is shown in the table that follows:

TABLE 5.13

School District	Is a Flexible Spending Account Plan Available?
Buffalo	No
Rochester	No
Syracuse	No
Cincinnati	No
Kansas City	Yes
Milwaukee	Yes, Dependent Care Only
Minneapolis	Yes
Pittsburgh	No
St. Louis	Yes, Dependent Premium Only
Toledo	Yes, Health Insurance Premiums Only
Kenmore/Tonawanda	Yes
Orchard Park	Yes
West Seneca	Yes, Teachers Only
Williamsville	Yes

4. Eliminate Duplicate Life and Disability Insurance Coverage.

Finding

BPS spent $224,952 in 1993-94 to provide supplemental life and disability insurance coverages. Life insurance is provided for all active, full time employees, depending on age and union group, ranging from $1,000 to $12,000. This life insurance is provided in addition to the life insurance being provided to all full time employees through either the NYS Teachers' Retirement System or the NYS and Local Employees' Retirement System. The value of state pension systems' life insurance coverages, after three years of service, is three times the employee's final annual salary.

The BPS also provides supplemental long-term disability insurance coverage for certain employees represented by two union groups (BTF and BCSA), which is in addition to that being provided through the above mentioned pension systems. Under BPS provided disability coverage, after a nine month waiting period, minimal disability benefits (up to a maximum of $100 per month) are payable for a maximum of four years.

Nineteen out of twenty-nine Erie County school districts provide their employees only the life and disability insurance coverage included in their state pension plans.

Only four of 13 peer school districts provide duplicate coverage. See Table 5.14.

Recommendation

Limit the supplemental life and long-term disability insurance coverages to that provided by either the NYS Teachers' Retirement System or the NYS and Local Employees' Retirement System.

Rationale

Most full time employees already receive life insurance coverage equal to three times their salary, and long-term disability insurance through one of the NYS retirement systems.

Estimate of Financial Impact

The BPS's annual cost to provide these supplemental insurance coverages is $224,952. No estimate of savings is shown for FY 95/96 because it is assumed that implementation of this recommendation will require negotiation of union contracts.

Estimated Savings					
Year	**95/96**	**96/97**	**97/98**	**98/99**	**99/00**
Savings	$ -0-	$224,952	$224,952	$224,952	$224,952

Requirements for Implementation

This recommendation requires modifications of existing BPS employee labor contracts.

Peer Information

The extent that life insurance is being provided through an employee pension system and/or by the district in peer school districts is shown in the table below.

TABLE 5.14

School District	Is Life Insurance Provided Through a Pension System?	Is Life Insurance Provided Through School District?	Is Life Insurance Provided Through Both?
Buffalo	Yes	Yes	Yes
Rochester	Yes	No	No
Syracuse	Yes	No	No
Cincinnati	No	Yes	No
Kansas City	No	Yes	No
Milwaukee	No	Yes	No
Minneapolis	No	Yes	No
Pittsburgh	Yes	Yes	Yes
St. Louis	No	Yes	No
Toledo	Yes	Yes	Yes
Kenmore/Tonawanda	Yes	Yes	Yes
Orchard Park	Yes	Yes, Administrator No, All Others	Yes, Administrator No, All Others
West Seneca	Yes	No	No
Williamsville	Yes	No	No

5. Reduce the Cost of Retiree Health Insurance by Eliminating Duplicate Prescription Plan Coverage and Self Insuring the Difference in Coverage from Current Policies.

Finding

At present, 879 of the 1,134 BPS retirees are receiving duplicate prescription drug coverage under a prescription card rider and a separate major medical rider, both provided by the BC/BS program in effect when they retired. The average annual cost of these retiree prescription drug riders is currently $1,252 per retiree ($1.1 million total cost), which represents 25% of the total retiree health insurance premiums of $4.4 million paid by the BPS in calendar 1993.

Duplicate coverage is not an issue for current employees, or future retirees, as all of the present BC/BS major medical programs no longer provide prescription drug coverage as part of the basic program. A specific prescription card rider is required for such coverage.

The prescription card requires an employee co-pay which ranges by retiree group from $0.50 to $5.00 per prescription. The BPS pays this prescription card rider premium, ranging from $343 to $576 (single) and $1,803 to $2,285 (family) annually, depending on the retiree group.

Prescription drug coverage available under the BC/BS major medical rider requires a $50 to $250 deductible, depending on retiree group, with 80% of charges covered once the annual deductible is met.

The BPS is bound by union contracts to maintain the existing retirees' current level of coverage.

Recommendation

The BPS should eliminate duplicate prescription drug coverage for retirees who currently have both a prescription card and major medical coverage. The BPS should self insure for all prescription costs incurred by retirees that would have been covered by the prescription card, but are not covered by major medical.

Rationale

Implementation of this recommendation will maintain current retiree prescription drug coverage, yet will produce significant savings to the BPS.

Estimate of Financial Impact

The cost to self insure the difference between BC/BS major medical coverage and what is covered under the prescription drug rider is estimated to be 55% of the current prescription drug rider cost of $1.1 million. Therefore, annual savings of 45%, or $495,229, would result from implementation of this recommendation with no reduction in coverage.

Estimated Savings					
Year	**95/96**	**96/97**	**97/98**	**98/99**	**99/00**
Savings	$495,229	$495,229	$495,229	$495,229	$495,229

Requirements for Implementation

This recommendation can be implemented completely by the Board and administration of the BPS.

Peer Information

Not applicable.

6. Use Buffalo Teachers Federation (BTF) Union Control Systems to Reduce Absenteeism to National Norms.

Finding

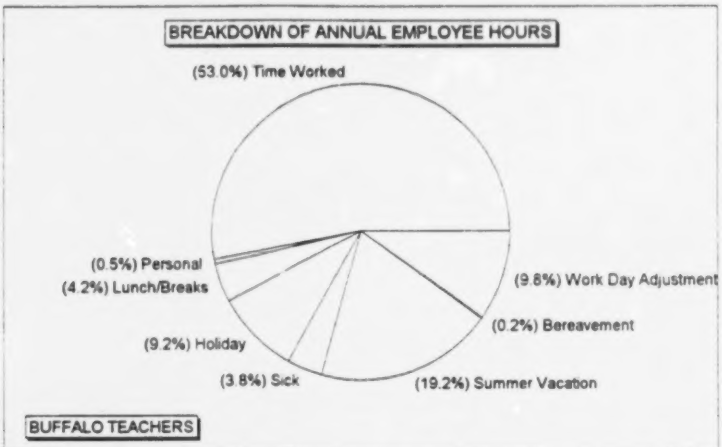
During the 1993-94 school year, approximately 60,000 personal, sick, and bereavement leave days were used by instructional personnel alone (46,000 days by teachers and 14,000 days by teacher aides). Based on average daily substitute rates of $63 and $35, for teachers and teacher aides respectively, the BPS incurred a cost of $3.4 million for substitutes.

Currently, management control of leave time use is not adequate. Union contracts make no specific restrictions on BPS utilization of a policy requiring a doctor's note for all sick leaves. In fact, the BTF contract specifically states "the Principal or Division Head or Superintendent may require a doctor's statement at any time in the case of absence on account of illness". Moreover, there are specific guidelines which restrict the use of personal leave. However, BPS management does not make use of such policies in an effort to reduce employee absenteeism. For example, an employee who has accumulated 210 sick leave days can take all of those days, typically, without providing a note from his/her doctor as to the nature of his/her illness. This often occurs, particularly with employees nearing retirement, who have accumulated a significant number of sick days.

Sick, personal, and bereavement absenteeism by instructional personnel averages 6% of scheduled work days, while the non-instructional personnel absenteeism rate is 5%. The national average for government employee absenteeism is 3.0%.

Union contracts specify the number of days employees can take for sick, personal, bereavement, vacation, and other paid leave days.

TABLE 5.15



Note: Work day adjustment accounts for the difference between a normal 8 hour work day and the 6 hour and 50 minute work day of the BTF.

Employees receive 11 to 15 sick leave days and 3 to 5 personal leave days annually, depending on their union affiliation. Any unused personal days may be converted to sick leave days at the end of each year.

Sick leave days can be accumulated. Upon retirement, employees may be reimbursed for unused sick days up to a maximum of 180 to 210 days, depending on the union contract. The reimbursement rate for unused sick days varies by union, and averages about one-third of their total monetary value.

Once an employee, with a minimum of 10 years of service, depletes his/her sick leave, two 30-day extensions are available from the BPS, which can be applied for in the event of a prolonged illness. After all BPS sick leave time has been exhausted, employees may apply for additional paid leave time from their particular union's sick bank.

Union sick leave bank guidelines are more stringent than those put forth in the contracts negotiated with the BPS and are more aggressively enforced. For example, BTF and BCSA union guidelines specify that all requests for benefits must include a physician's statement. Also, the Trustees may require a member requesting and/or receiving benefits to submit to an examination by a doctor of the Trustees' choice. Also, once benefits begin, periodic updated medical and/or psychiatric reports may be required. In addition, if it is determined that an individual has fraudulently received benefits, he/she will be required to repay all amounts fraudulently obtained and will be prohibited from receiving similar benefits for a given future period of time.

BPS sick leave figures are considerably higher for employees nearing retirement. For 1993-94 retirees, 30% were absent an average of 50 days per year or more for the three consecutive years prior to their retirement. Some were absent for more than a full academic year (i.e., 186 days in the teachers' academic year).

The practice of using all accumulated sick leave days just prior to retirement is common knowledge among BPS administration and staff. In 1993-94, the percentage of retiring employees using more than 60 days (approximately 3 months) in the three year period just prior to retirement, increased from 35% to 55%. The following chart illustrates the high utilization of accumulated sick time currently occurring in the three years immediately prior to retirement.

TABLE 5.16
UTILIZATION OF ACCUMULATED SICK DAYS BY TEACHERS IN THREE YEAR PERIOD IMMEDIATELY PRIOR TO RETIREMENT

NUMBER OF DAYS USED IN THREE YEARS	1992-93 RETIREES		1993-94 RETIREES	
	NUMBER OF RETIREES	% OF RETIREES	NUMBER OF RETIREES	% OF RETIREES
0-30	34	54.0%	18	26.9%
31-60	7	11.1%	12	17.9%
sub-total (60 or less)	41	65.1%	30	44.8%
61-90	5	7.9%	9	13.4%
91-150	6	9.5%	8	11.9%
151 +	11	17.5%	20	29.9%
sub-total (more than 60)	22	34.9%	37	55.2%
TOTALS	63		67	

Recently, Erie County decreased the use of excessive sick days through management controls. Specifically, the County implemented changes similar to those which follow, and has begun experiencing a significant decline in its rate of absenteeism.

TABLE 5.17
COMPARISON OF ABSENTEEISM RATES

	1994 Average Absenteeism Rate
National Average - all industries	2.7%
National Average - government agencies	3.0%
Buffalo Public Schools - teachers and teacher aides	6.0%
Buffalo Public Schools - employees nearing retirement	18.8%

Recommendations

Management should act more like the unions in controlling use of sick time. The following standards, which are similar to the BTF and BCSA unions' guidelines for making payments from their respective emergency sick banks, should be followed by the BPS:

- Sick days may be taken only for personal illness; not used to remain away from the position. All sick leave bank requests for benefits should be accompanied by a physician's statement.
- A principal, division head, or the Superintendent, in their sole discretion, may require a BPS employee requesting and/or receiving sick leave days to provide a physician's statement and/or submit to an examination performed by a BPS appointed doctor. All sick leave of three consecutive work days or more should require a physician's statement.
- Once accumulated sick leave benefits begin, periodic updated medical and/or psychiatric reports should be required.
- Whenever an employee is determined to have fraudulently used paid sick leave time, he/she should be required to repay all fraudulently obtained funds and should be prohibited from receiving sick leave days for a period of two years.

In addition, all requests for payment of bereavement leave time should require that proper documentation be submitted for certification of such absence prior to payment.

Rationale

Absenteeism, especially among teachers, can adversely impact the education of students. Most teachers are replaced by substitutes when they are absent, resulting in disruption of services for the students. Absenteeism also costs the BPS fiscally, since absent teachers and teacher aides are usually replaced by substitutes. Thus, when absences occur, the Board incurs both the absent employee's wage costs (paid sick leave) and the substitute's wage cost.

Reducing the amount of absenteeism would enable the BPS to reduce the disruptive impact that absenteeism has on the educational services provided to students.

Sick time should be used only in cases of illness, since that is the reason such days are provided. Use of sick time for any other purpose constitutes an abuse of this benefit. Furthermore, accumulation of sick time is designed for use in times of prolonged illnesses and, as such, should be used only for that purpose.

Estimate of Financial Impact

With these recommended practices, the BPS should be able to reduce the amount of absenteeism by one half. This would be a reduction from the current level of 6% to a level of 3% for teachers and teacher aides.

Reduction in the amount of absenteeism to half of the present level would result in 30,000 fewer leave days being taken annually by instructional personnel. The resultant savings associated with reducing instructional substitute costs by half would be $1,694,000.

Estimated Savings					
Year	**95/96**	**96/97**	**97/98**	**98/99**	**99/00**
Savings	$1,694,000	$1,694,000	$1,694,000	$1,694,000	$1,694,000

Requirements for Implementation

This recommendation can be implemented completely by the Board and administration of the BPS.

Peer Information

Not available.

7. Decrease the Cost of Workers' Compensation Claims by Ensuring a Safer Work Place, Increasing the Efficiency of Processing Claims, and Providing Incentives for Employees to Return to Work.

Finding

The BPS provides Workers' Compensation benefits to all full time employees for injuries suffered while on school premises, or while performing their assigned duties, subject to review and certification by a duly qualified physician. Workers' Compensation payments, as set by New York State, are 2/3 the injured employee's salary, to a maximum benefit of $400/week.

All of the unions representing BPS employees, with the exception of transportation aides, have contractual clauses stipulating that the BPS shall compensate affected employees to make up the difference between State approved Workers' Compensation awards and the employee's regular salary for a period of one year (five years in the case of Buffalo Teachers Federation and Buffalo Council of Supervisors and Administrators union members).

BPS spent $2.9 million on identifiable Workers' Compensation benefits for FY 93/94 as shown in the table below.

TABLE 5.18

	Workers' Compensation Costs*
FISCAL YEAR	**1993-1994**
Number of Workers' Compensation Open Cases	772
Workers' Compensation Salaries (Differential Pay) *	$1,532,064
Workers' Compensation Medical	$1,412,787
TOTAL COSTS	$2,944,851

*The BPS cannot determine the actual total cost of Workers' Compensation benefits under its current system of accounting for such expense because some charges are made directly to regular salary budgetary accounts that do not segregate the portion relevant to the Workers' Compensation differential pay.

Current union contracts provide neither a barrier to system abuse, nor an incentive for employees to return to work.

At present, incentives for employees to return to work at the earliest possible time are not adequate, primarily because employees are provided a continuation of full salary while on Workers' Compensation. In fact, because of favorable tax law (tax-free) treatment of Workers' Compensation income, an employee's take-home compensation after taxes may be higher while off the job.

Following are other opportunities for improvement associated with the BPS's Workers' Compensation system.

- There is no standard BPS policy for completion of C-2 forms (compensation forms required by the State that describe the nature and extent of injury), accident reports, and claims processing procedures.
- There is no light duty program available for BPS employees to encourage them to return to productive employment, if only on a limited basis, prior to their full recovery.
- The majority of BPS cases are administered through the City of Buffalo with a third party administrator (TPA). The City lacks adequate automation systems to properly administer claims, and the services provided by the TPA do not include effective management advice/recommendations to reduce costs.
- The level of automation and the quality of information are inadequate to manage these costs effectively.

Recommendations

- As required by law, C-2s should be completed by the employee's supervisor with the employee present, if possible, to assure accuracy. In no case, should an employee be permitted to complete and file claims without their supervisor. All supervisory personnel should be trained on the mandated timeliness and proper procedure for completing and filing such forms. Also, a centralized tracking system should be established in the BPS' benefits office where claims can be reported immediately and C-2 copies can be forwarded for control purposes.
- Safety and training programs should be implemented to ensure that all employees are aware of OSHA standards that are pertinent to their areas, as well as general workplace safety rules, policies, and procedures, and the importance of these standards. Analysis of where people are incurring injuries, and precautions needed to reduce the number of injuries occurring, should be developed in concert with the TPA.

- A light duty program should be implemented to encourage employees to return to work.
- The BPS should work with the City to automate inputting claims, paying bills, calculating fee schedules, checking medical bills for accuracy, printing BPS Workers' Compensation forms, providing loss runs, providing lost time incident rates, printing OSHA logs, maintaining claims histories, and providing a central clearing house for all City and BPS claims.
- The BPS should require a case review by a Board appointed physician to help prevent abuse of the Workers' Compensation system.

Rationale

The goal of the BPS should be to reduce the number and severity of claims by increasing the involvement of BPS employees in safety programs and increasing the efficiency of claim processing. Without significantly impacting benefits levels, significant savings are possible through improved administration of the system.

Interim (light or home) assignments are vital to maintain the employee's ties to the school system, while accomplishing tasks which, in some instances, might not otherwise be accomplished, and enhancing the employee's value to the school system through interim work experience which may be different than the employee's normal duties. Such assignments could include involving the employee in safety and training programs.

Estimate of Financial Impact

Based on input from experts in the field, a 10% reduction in compensation claims should be anticipated from implementing the recommendations made above.

Estimated Savings					
Year	**95/96**	**96/97**	**97/98**	**98/99**	**99/00**
Savings	$294,485	$294,485	$294,485	$294,485	$294,485

Requirements for Implementation:

This recommendation can be implemented completely by the Board and administration of the BPS.

Peer Information

Information regarding the peer school districts' use of Workers' Compensation supplemental benefit pay follows.

TABLE 5.19

School District	Is Differential Pay Available?
Buffalo	Yes
Rochester	No
Syracuse	Yes (Teachers & Assistants only)
Cincinnati	No
Kansas City	Yes (In cases of Assault only)
Milwaukee	Yes
Minneapolis	No
Pittsburgh	No
St. Louis	No
Toledo	No; also, employees must use extra sick leave benefit before compensation starts
Kenmore/Tonawanda	Yes, 30 days leave provided before compensation starts
Orchard Park	Yes
West Seneca	Yes
Williamsville	No

RECOMMENDATIONS RELATED TO MANAGEMENT IMPROVEMENT

8. Improve Labor Relations and Reduce the Time and Money Spent on Resolving Employee Grievances.

Finding

All union contracts mandate that a four-level grievance procedure be utilized to equitably settle employee grievances. Resolution of BPS staff grievances generally is not reached at the lowest administrative level. This is most often the case for grievances brought by Buffalo Teachers Federation (BTF) members. The specific grievance procedures are delineated in each union contract. The grievance procedure for BTF members follows.

Level I: If a teacher has a grievance, he/she may file a written grievance form supplied by the BTF. Within 3 days of the filing, a meeting must take place among the immediate supervisor, the aggrieved teacher and the BTF representative to attempt to resolve the grievance. If the claim is not resolved at Level I, it will be advanced to level II.

Level II: At level II, a grievance requires a meeting between the Central Grievance Committee and the Board's Appeal Committee. If the grievance is not settled at Level II, the BTF may appeal to the Superintendent for a Level III review.

Level III: The Superintendent meets with the Federation Grievance Committee for the purpose of resolving the matter. If the claim remains unresolved at this level, it will be advanced to Level IV.

Level IV: The Federation may request that the matter be submitted for arbitration. The arbitrator appointed to hear the grievance shall be selected by the New York State Public Employment Relations Board. The decision made by the arbitrator will be accepted as final by the parties to the dispute and both are required to abide by it.

In 1993-94, only 32 of 86 grievances were resolved below Level IV. The majority of claims advance and culminate with an arbitration proceeding, resulting in an administrative cost to BPS of $1,500 - $3,000 per arbitration, excluding awards.

There is a low rate of adherence to the timeliness for grievance resolution as mandated in the BTF contract.

Recommendation

The school administration should work to resolve union grievances at the lowest possible level. In appropriate cases, the Superintendent should encourage the practice of low level resolution, by supporting the authority of supervisors to make decisions and settle such claims prior to arbitration.

Rationale

It is not cost effective to arbitrate claims that are not related to compensation issues (e.g., working conditions), or that involve negligible monetary issues.

Requirements for Implementation

This recommendation can be implemented completely by the Board and administration of the BPS.

Peer Information

Information regarding teacher grievances and arbitration activity for the peer school districts is shown in the table below.

TABLE 5.20

	1993 - 1994		
School District	Number of Teachers	Number of Grievances Filed	% Going to Arbitration
Buffalo	3,962	86	63%
Rochester	2,796	367	NA
Syracuse	1,970	3	0%
Cincinnati	3,147	163	2%
Kansas City	3,500	51	0%
Milwaukee	6,488	50	58%
Minneapolis	3,268	8	13%
Pittsburgh	3,220	78	6%
St. Louis	3,500	-	-
Toledo	2,558	45	27%
Kenmore/Tonawanda	634	0	0%
Orchard Park	330	7	0%
West Seneca	527	6	50%
Williamsville	797	3	33%

NA = Not Available

9. Reduce BPS Paid Absences Due to Severe Winter Weather Conditions:
a. For Teachers and Other Personnel Working at School Locations
b. For Administrative and Other Personnel Working at Non-School Locations

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Finding

All members of the BTF union, including teachers, teachers in administrative roles, and some support personnel, are not required to utilize their allotted personal or vacation time "for absence on account of abnormally severe weather conditions in the Buffalo Metropolitan Area" (BTF contract). This contract language has been interpreted, through arbitration decisions, to permit such absences by BTF employees under any of the following circumstances:

- if the BPS has not declared a snow day
- if the BPS has declared a snow day for children, but not for administrators and support staff
- if the school district in which the BTF member resides is outside of Buffalo and that outside district declares a snow day

Thus, all BTF members, including non-classroom staff (i.e., BTF members not assigned to the classroom, located at City Hall or any other building or school locations) receive a "free" day off.

Private industry practice generally does not provide for excused employee absences caused by winter weather conditions, except under dangerous conditions. Typically, City Hall would be closed under such conditions.

Recommendation

The aforementioned BTF contract language should be revised as follows.

a. Excused severe winter weather absences (i.e., snow days) should be authorized separately for classroom and non-classroom personnel. Non-classroom teachers, administrators, support personnel, and other BPS employees, not working in the classroom, should still be required to report for work on all days that district schools are closed, unless Buffalo's City Hall also is closed. Personnel who choose not to report for work should be required to use available personal or vacation leave time to be paid for such absences.

b. Any personnel not reporting for work due to severe weather conditions in school districts outside Buffalo (i.e., where they reside), should be required to utilize available personal or vacation time to be paid for such absences.

Rationale

Schools are closed in severe winter weather conditions (i.e., snow days), typically, to ensure the safety of school children, many of whom must walk to school or must walk to reach public transportation. On such occasions, however, non-classroom school personnel often can reach school safely without being exposed to unnecessary danger.

Closure of Buffalo's City Hall in severe winter weather warrants all BPS personnel remaining at home due to the severity of weather conditions which dictate all unnecessary travel should be avoided.

Requirements for Implementation

This recommendation requires modifications of existing BPS employee labor contracts.

Peer Information

Information regarding teachers and administrative personnel receiving paid days off due to severe winter weather conditions for the peer school districts is shown in the table below.

TABLE 5.21

School District	Do Teachers Living Outside the District Have to Report to Work When Their Home District Has a Snow Day?
Buffalo	No
Rochester	Yes
Syracuse	Yes
Cincinnati	Yes
Kansas City	Yes
Milwaukee	Yes
Minneapolis	Yes
Pittsburgh	Yes
St. Louis	Yes
Toledo	Yes
Kenmore/Tonawanda	Yes
Orchard Park	Yes
West Seneca	Yes
Williamsville	Yes

APPENDIX A

APPENDIX A

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APPENDIX B

APPENDIX B

BUFFALO PUBLIC SCHOOLS
RECOMMENDATIONS FROM STUDIES UNDERTAKEN PRIOR TO THE COMMISSION'S ASSESSMENT
1982-1994

List of Prior Studies:

1. Report on Fiscal and Managerial Practices, September 1982
2. Deloitte Haskins & Sells and the Superintendents Management Advisory Committee Effective Mgmt Program, 1985.
3. Price Waterhouse School Board Budget Review, April 1989.
4. The Commission on Quality Education in Buffalo, January 1991.
5. Common Council's Committee on Computer Consolidation, June 1991.
6. The Buffalo Financial Plan Commission Five Year Financial and Management Plan for the City of Buffalo, February 1993.
7. Greater Buffalo Development Foundation/Buffalo Public Schools Accountability Task Force, 1991-1992
8. State Education Department Management System Review Report, June 1993
9. State Comptroller's Report of Examination, as of March 11, 1994, dated April 1, 1994
10. State Comptroller's Report of Examination, as of August 31, 1994, Dated October 14, 1994

1. Report on Fiscal and Managerial Practices, September 1982

		Major	Minor
A. Budgeting & Data			
1. Adopt a Program Budget Structure.	1.		x
2. Develop Budget Document which serves as a communication vehicle.	2.		x
3. Incorporate all budgets into one meaningful control document.	3.	x	
4. Prepare & Disseminate a budget message before commencement of formal process.	4.		x
5. Series of contingency budgets should be developed annually.	5.	x	
6. All presentation of data regarding the school system should be cleared through the same database.	6.		x
7. The budgetary function should be a part of every manager's role. Administrators should be given more latitude and encouragement to allocate resources in ways to improve efficiency.	7.		x
B. Organizational Structure			
1. Reduce staff at all levels, especially among certified personnel.	1.	x	
2. The number of principals and asst. principals in the school system should be reduced.	2.		x
3. Consider staff reductions in special education.	3.		x
4. The central office staff personnel should be reduced.	4.		x
5. The number of teachers assigned to administrative tasks should be reduced.	5.	x	
6. A complete salary structure evaluation is needed including. assessments of job duties, roles, responsibilities and authority levels. Clear guidelines and limits need to be established for transferring experienced personnel from one function to another where that experience is of questionable value.	6.	x	
7. The three director of personnel positions should be merged into two and the two supervisor positions merged into one.	7.		x
8. Eliminate one full time person presently assigned to the substitute teachers desk.	8.		x
9. Increase the repair responsibility of custodial engineers.	9.		x
10. Change division name from Finance, Research and Personnel to Finance, Budget and Business Management. And realignment of functions should be considered.	10.		x
11. Plant maintenance dept. should establish a new position of supervisor of professional tradesmen and eliminate 4 existing supervisors.	11.		x
12. Clarify jurisdiction for school maintenance.	12.	x	

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C. Managerial Development

1. Establish Policy wherever applicable to hire some administrators from outside the school system.	1.	x	
2. Training and tuition credit programs should be established for administrative personnel.	2.		x

D. Planning & Goals

1. Adopt a long range planning period.	1.	x	
2. Operational goals should be established and delegated throughout the organization. Goals should be clearly articulated, prioritized and allow for input from lower administrative levels.	2.	x	
3. The dept. of plant construction and reconstruction should assume a greater planning responsibility toward future demands on the schools' infrastructure.	3.		x

E. Computerization

1. Utilize BOCES computer services or utilize the city's computer services.	1.	x	
2. Work volume could be greatly reduced through computerized record keeping in personnel, especially paperwork.	2.	x	

F. Control

1. Require reports from custodians regarding the cost of service performed and audit the report.	1.	x	
2. Develop a cost estimating system for repairs in the service center as an aid in decision making and an analysis of productivity.	2.		x
3. Establish a purchasing control system.	3.	x	

G. Purchasing

1. Bidding procedures should be changed to allow for a more competitive bidding process.	1.	x	
2. Initiate a standardization program for inventory.	2.	x	
3. Develop a purchasing manual and review the purchasing cycle.	3.		x
4. Study the workload situation in order to reduce the effects of seasonality in the purchasing dept.	4.		x
5. No recommendation could be made regarding the suggestion of consolidation of the city and BOE purchasing departments.	5.		N/A

H. Miscellaneous

1. The dept. of plant construction and reconstruction should continue the use of outside contracting as a means to save costs and increase efficiency.	1.		x
2. There should be a greater reliance on outside contracting for capital work.	2.	x	
3. Intensify the energy conservation campaign to reduce utility costs.	3.	x	
4. Re-evaluate wage rates and formula rates for services provided by custodial engineers.	4.		x
5. Re-examine the present system of bidding for vacancies to lower turnover rate of engineers.	5.		x
6. Reduce the backlog of work repairs.	6.		x

KEY
SHADED: Items that the BPS has effectively addressed.

2. Deloitte Haskins & Sells and the Superintendents Management Advisory Committee Effective Mgmt Program, 1985.

A. Data Processing

1. Establishment of a user needs committee should be a high priority for the district..	1.	x	
2. Complete development of system documentation and operating guides/manuals.	2.		x
3. Clarify the department structure and provide improved opportunities for staff advancement. Enhance management structure to accommodate needs of growing organization.	3.		x
4. Complete conversion of new hardware and operating system and modernization and enhancement of existing applications. Develop new applications as needed.	4.		x

B. Organization Studies: General Administration and Instructional Services Division.

1. Increase responsibilities of Executive Asst. to the Superintendent to include Public, Community, Court and Government relations.	1.		x
2. Consolidate integration and school integration dept. and transfer to division of Instructional Services.	2.		x
3. Transfer purchasing dept. to division of Finance and Administration.	3.		x
4. Consolidate administrative responsibilities of all budgeting activities and assign to Division of Finance and Admin.	4.	x	
5. Consolidate all office services functions and assign to division of Finance & Admin. (DFA)	5.		x
6. Increase the scope of human resources function and fill vacant position of Asst. Auperintendent.	6.		x
7. Expand the scope of internal audit.	7.	x	
8. Add position of Asst. Superintendent of MIS and expand MIS function.	8.	x	
9. Transfer evaluation function to instructional division.	9.		x
10. Centralize all curriculum and program development functions.	10.		x
11. Consolidate all grants/aid writing activities.	11.	x	
12. Expand staff and functions of pupil personnel services.	12.		x
13. Create a pupil placement services dept. including integration, pupil placement and transfers.	13.		x
14. Establish a central word processing pool for instructional division and consolidate secretarial and clerical functions by department.	14.		x
15. Establish a process for goal setting and performance evaluation.	15.		x
16. Revise the function of the planning and resource allocations dept.	16.		x
17. Consolidate all building maintenance and repair, equipment repair and capital projects/improvements.	17.	x	
18. Consolidate all janitorial and engineering services.	18.	x	
19. Transfer the transportation function to the instructional division.	19.		x
20. Assign a business mgr. or admin. asst. to plant services division.	20.		x
21. Establish formal information and communication procedures.	21.		x
22. Create and disseminate mission statements and goals.	22.		x
23. Establish formal approved job descriptions.	23.		x
24. Develop policies and procedures manuals.	24.		x

KEY
SHADED: Items that the BPS has effectively addressed.

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C. Transportation

1. Establish written set of transportation policies.	1.		x
2. Modify organizational structure to improve ability to carry out objectives effectively.	2.	x	
3. Develop timeframe to utilize one database for transportation purposes.	3.		x
4. Increase the lead time for bidding on upcoming transportation contracts and add non-performance penalties.	4.	x	
5. Develop and enforce an operations schedule for the entire district's transportation needs, utilizing multiple pickups and dropoffs.	5.	x	
6. Phase out operation of the district's transportation fleet, subcontracting this work to an outside contractor.	6.		x
7. Consider phased reduction of bus aides on desegregation transportation after receiving court approval.	7.		x
8. Improve interaction and communication between instructional and transportation personnel.	8.		x
9. Improve efficiency and service.	9.		x

D. Building Maintenance & Repair and the Service Center

Organization Structure

1. Certain job descriptions should be re-written.	1.		x
2. Personnel should develop guidance in the type/degree of performance mgmt which can occur within the constraints of existing collective bargaining agreements.	2.	x	
3. Job/departmental accounting reports should be instituted to ensure consistent performance monitoring.	3.	x	
4. Realigned organization structure is needed, reflecting the importance of business and financial matters.	4.		x

Supervisory Practices

5. Trade group employees should be per diem or salaried.	5.		x
6. BPS should negotiate directly with trades and craftsmen.	6.		x
7. "Acting" title for trade supervisor and above should be allowed no longer than 90 days.	7.		x
8. Job description should be developed for trade supervisors.	8.		x
9. Performance evaluations for trade supervisors should be conducted.	9.		x

Performance Management

10. Plant services should implement a zero based approach to planning, goals and objectives.	10.	x	
11. The Assoc. Superintendent should implement weekly performance review sessions.	11.		x

Work Order Process

12. Feasibility of locating trade foreman at service center should be investigated.	12.		x
13. High number of elementary work orders should be examined.	13.		x
14. Staffing in those trades with highest average days to complete should be investigated.	14.		x
15. Investigate feasibility of purchasing an automated work order management system.	15.		x
16. Examine cost/benefit of contracting out work in areas of few requests.	16.		x

Work Order Management			
17. Develop procedures manual.	17.		x
18. Institute four priority categories for maintenance work.	18.	x	
19. Develop a job cost accounting system.	19.	x	
20. Investigate alternatives for completing work when there are insufficient funds.	20.		x
21. Institute work order form to record cost information.	21.		x
Performance Evaluation System			
22. Track number of work orders for each shop and record labor and material cost.	22.	x	
23. Prioritize work orders.	23.		x
24. Weekly review of new procedures.	24.		x
25. Initiate implementation plan in shops.	25.		x
26. Revise work order form to include labor and material cost.	26.		x
27. Asst. superintendent for service center operations should be responsible for monitoring and evaluating the performance of the service center.	27.		x
28. Service Center supervisor should participate in performance evaluations.	28.		x
29. Establish a procedures manual.	29.		x
User Demand			
30. Service center should notify users when work orders are expected to be completed.	30.		x
31. Cost/benefit analysis of contracting out work should be undertaken.	31.	x	
32. School principals and engineers should be notified when outside contractors will be there to perform work.	32.		x
33. Department by department study of the feasibility of contracting out work should be done.	33.		x
Work Order Process			
34. A work order form should be used to record more complete information.	34.		x
35. The official work order process should be included in procedures manual.	35.		x
36. Quarterly variance reporting should be prepared showing actual budget YTD.	36.		x

3. Price Waterhouse School Board Budget Review, April 1989.

1. Reduce personnel to bring district's staff ratios in line with peer cities.	1.	x	
2. Avoid creation of new programs or expansion of existing programs unless necessary to comply with desegregation mandate.	2.		x
3. Institute more accurate budget projections.	3.	x	

4. The Commission on Quality Education in Buffalo, January 1991.

1. Adopt long term goal of fiscal independence for the Buffalo Board of Education.	1.	x	
2. Comprehensive improvements in space needs planning, a multi-year facilities construction plan, clearer identification of state aid for capital investment in schools and a comprehensive presentation of the capital appropriations request.	2.	x	
3. Buffalo should join in an effort by the big 5 school districts in NY state to reduce the power of the State Ed dept.	3.		x
4. Improved presentation and functionality for the school budget document.	4.	x	
5. Move budget submission deadline to March 1.	5.		x

5. Common Council's Committee on Computer Consolidation, June 1991.

1. Consolidation of mainframe computer platforms within the BOE.	1.	x	
2. The City of Buffalo and the BOE should share computer services to the full extent possible.	2.	x	
3. A committee to oversee efforts related to the sharing of computer services between the City and BOE should be established.	3.		x
4. A cost/benefit analysis of various possible data processing options should be undertaken.	4.		x
5. The Data Processing divisions of the City and BOE should monitor technological advancements to identify future areas of cooperation, sharing or consolidation.	5.		x

6. The Buffalo Financial Plan Commission Five Year Financial and Management Plan for the City of Buffalo, February 1993.

A. Reorganization

1. Consolidate City of Buffalo and BOE mail rooms.	1.		x
2. Institute a residency requirement for City and BOE employees.	2.		x

B. Information Technology

1. Re-evaluate the potential for consolidating the City and BOE computer systems.	1.	x	

7. Greater Buffalo Development Foundation/Buffalo Public Schools Accountability Task Force, 1991-1992

A. Goals and Objectives

1. Orient reporting to evaluate all areas covered by NYS Regents goals and Compact for Learning	1.	x	
2. Organize data around stated goals to assess progress.	2.		x
3. Form partnerships with business community (Buffalo Alliance for Education & SABA)	3.	x	

B. Valid and Reliable Data

1. Collect various student achievement, participation and demographic data.	1.		x
2. Replace current testing measures with more meaningful and authentic assessment.	2.	x	
3. Perform post graduate analysis.	3.		
4. Collect data related to goals set forth by the Regents and the community	4.		x

C. Comprehensive Reporting

1. Present data in a comprehensive and readily usable form.	1.	x	
2. Evaluations should break down data by gender, race and socio-economic status.	2.		x
3. reports should be easily understood, convey comprehensive information, and encourage action.	3.		x

D. Effective Response

1. Educational Programs should be developed or modified using evaluation and assessment results.	1.	x	
2. Inservice and preservice programs for teachers and administrators should be developed or modified from evaluation and assessment reports.	2.	x	
3. Utilization of evaluation results should be acted upon in a timely fashion with all concerned parties.	3.		x

KEY
SHADED: Items that the BPS has effectively addressed.

8. State Education Department Management System Review Report, June 1993

A. Communication

1. Develop a system of communication that quickly and thoroughly transmits written information to all segments of the district.	1.	x	
2. Develop written procedures and timelines for submitting reports to the Board in a timely fashion.	2.	x	
3. Access to data through computer networking across the district should be provided for staff who need the data.	3.		x
4. Meetings should be held regularly to discuss issues and provide or secure input when planning or implementing programs.	4.		x
5. Review data collection procedures and staff roles, eliminate duplicate offices and roles, establish clear lines of authority between central administration and school principals and review methods used to inform school administrators of their responsibilities related to data collection.	5.	x	
6. Communicate fiscal policies to all staff.	6.		x
7. Schedule regular meetings so that Early Childhood program managers have regular opportunities to meet with managers of bilingual, special education, magnet school program, and upper level managers.	7.		x
8. A staff development committee should be established to coordinate staff development and evaluation procedures.	8.		x
9. The certification and employment offices should have separate staff and records. The process for forecasting staff needs should be coordinated with the personnel office.	9.	x	
10. The district must develop an effective means of communication that would allow the magnet school programs to be more coordinated with other programs in the district. Written policies governing the student selection process should be developed.	10.	x	
11. Establish management policies and procedures for submitting Capital Project financial data to SED for aid claims.	11.	x	
12. Develop and implement a plan to include parents, teachers and the business community in decisions related to school activities and programs.	12.		x
13. Develop and implement a plan for integrating data processing initiatives with other management activities.	13.	x	
14. Efforts and initiatives in instructional technology should be shared widely with school district staff.	14.		x
15. Split-schedule classes in Home and Career skills with Technology Technology in grades 7 and 8.	15.		x
16. Develop and implement a plan for coordinating all compensatory education activities and core curriculum.	16.	x	
17. Staff should be involved in developing core curriculum and compensatory education program goals.	17.	x	
18. Annual meetings with staff and community-based people concerned about student suspensions and transfer requests.	18.		x

B. Planning and Program implementation

1. Develop a decision-making policy that involves all levels of the district staff.	1.		x
2. Provide BoE members with training in planning and encourage their involvement	2.		x
3. Include the work of school psychologists and social workers in in the district guidance plan.	3.		x
4. Establish clear purposes, processes and timelines for data collection.	4.		x
5. State certification requirements should be used to fulfill academic and testing requirements	5.		x
6. Provide magnet school staff with support in maintaining court order for desegregation.	6.		x
7. Art, music and physical education must be provided in accordance CR 100.3	7.	x	
8. Develop a plan to foster continuity of instruction across buildings, grades and programs.	8.	x	
9. Develop a budget and provide developmentally appropriate materials for Early childhood centers.	9.	x	
10. Computerize work-order system, bus routing and other information systems.	10.	x	
11. The design and management structure for Data Processing needs to be examined and revised according to application design principles.	11.	x	
12. Develop and implement a comprehensive district planning process for teaching and learning.	12.	x	
13. Develop a plan to assure congruence between the core curriculum and compensatory services.	13.		x
14. Establish a planning group for vocational education.	14.		x

C. Evaluation

1. Develop a plan for regular student and program evaluation.	1.	x	
2. District should develop desired outcomes for Pupil Personnel Services.	2.		x
3. The district should review and report on all data collection and use procedures.	3.		x
4. New guidelines for transcript and coursework evaluation must be developed in accordance with CR Part 80.	4.	x	
5. Results of studies should be widely shared among the staff and community.	5.		x
6. Implement a regularly scheduled building evaluation system in accordance with SED program. Develop a strategy for preventative maintenance.	6.	x	
7. Ensure that annual employee evaluations are completed.	7.	x	
8. Interconnect all buildings for computer networking.	8.		x
9. Establish relational database for student identification and assessment.	9.	x	
10. Convene all program managers to identify data elements necessary to meet reporting requirements.	10.		x
11. Establish procedures for checking the validity of data prior to data entry.	11.		x
12. ILC referral procedures and practices should be reviewed.	12.		x

D. Funding

1. Develop matrix of all RFP's and grants to ensure that funds are received in a timely manner.	1.	x	
2. Promote staff from within to fill key positions.	2.		x
3. Adopt a zero-based budget program using student and program evaluation as a basis for funding programs.	3.	x	
4. Fiscal policies should be distributed to all staff.	4.		x
5. AI/DP funds may be more effectively applied if they were administered by Attendance Services.	5.		x
6. Program fiscal reports should be provided to the BoE displaying encumbrances.	6.	x	
7. The district should consider developing a claims management plan and file preliminary ST-3 forms.	7.	x	
8. Develop appropriate criteria to secure adequate resources for providing appropriate staff/student ratios.	8.		x
9. Increase the funding for instructional technology.	9.		x
10. Primary level classrooms should have at least part-time teacher aides.	10.		x

E. Staff Coordination

1. Establish a vision and mission for the district.	1.	x	
2. Develop an integrated management workplan.	2.	x	
3. Reorganize to allow Pupil Personnel Services areas to report to a single person.	3.		x
4. Review all data needs and procedures and identify one coordinator with authority over all data collection and use.	4.		x
5. There should be one person who supervises and coordinates the finance and business management area.	5.		x
6. Clarify the roles and responsibilities of all offices.	6.		x
7. Job and program descriptions need to be developed.	7.	x	
8. Management roles and responsibilities should be defined and responsibilities communicated to staff.	8.		x
9. Develop policies for the roles of advisory groups.	9.		x

9. State Comptroller's Report of Examination, as of March 11, 1994, dated April 1, 1994

A. Building Aid

1. The district should file necessary data to obtain all the building aid which had not been previously paid due to incorrect filing of and data with the State Education Department.	1.	x	
2. The Superintendent should establish a committee to develop policies and procedures which will ensure that projects are timely. planned and records are maintained to claim state aid properly and timely.	2.		x
3. Capital projects should be scheduled and planned in a manner which will result in the receipt of all State aid permitted under law.	3.	x	
4. Greater care should be taken in estimating project costs and providing sufficient financing to complete the projects.	4.		x
5. In instances where project costs will increase beyond the total authorization previously approved, the Board of Education must specifically authorize the additional resources to be utilized to fund the additional expense.	5.		x
6. Projects financed with the proceeds of indebtedness should be monitored for compliance with applicable statutory provisions contained in the Local Finance Law. For projects financed through the issuance of bonded indebtedness, the the City Common Council must authorize costs in excess of those initially approved by bond resolution.	6.	x	
7. Project funding and costs should be segregated and accounted for by SED project number to facilitate reporting and claiming building aid. The process for budgeting, accounting and reporting on projects should be designed to coordinate all three of these functions.	7.		x
8. The district should develop procedures to monitor project activities and the filing for and receipt of building aid.	8.		x
9. All eligible contracted expenditures associated with aidable projects should be included in building aid claims submitted to SED.	9.		x
10. District officials should discuss the SED how project costs incurred through the use of district staff could be aidable.	10.	x	
11. The district should take greater care in preparing certain forms for filing with SED to ensure improved cash flow from building aid advance payments for debt service.	11.		x
12. Chapter 700 of the Laws of 1992 amended Section 3602 of the Education Law to allow building aid for the reimbursement of school district lease payments. Leases of facilities to provide instructional space should be submitted to SED prior to the signing of the lease agreement to determine whether aid may be claimed.	12.		x

B. Budget Document Format

1. The Board of Education should review the Government Finance Officers' Association awards criteria, other "big 5" school district budgets and the applicable requirements to determine the appropriate revisions in the budget format to best serve the needs of district and governmental officials, taxpayers, and other users of the budget.	1.	x	
2. The Board of Education should establish a timetable to revise the budget document, assess staff needed to complete the project, and prioritize and implement the intended revisions, recognizing that it may take several fiscal years to incorporate them into the budget document.	2.		x

10. State Comptroller's Report of Examination, as of August 31, 1994, Dated October 14, 1994

A. Special Aid Programs

1. District officials should continue to work closely with the SED Buffalo Services team to resolve delays associated with program budget approvals and payment of start-up funds.	1.	x	
2. District officials should request the maximum amount of interim grant payments allowed from SED for each eligible special aid program operated by the district.	2.		x
3. School district officials should develop procedures which would allow for the timely filing of all final cost reports. In addition, school district officials should request filing extensions for those reports which, due to unforeseen circumstances, will not be filed within the required submittal time.	3.		x
4. Personal service and fringe benefit expenditures associated with special aid programs should be recorded and reported in a manner which will allow for a more accurate presentation of district financial activity. In addition, district officials should closely monitor special aid programs for potential overexpenditure of appropriations so that they may, among other things, file an application with SED for additional state aid, if available.	4.	x	
5. District officials should not maintain an indirect cost fund. This financial activity should be budgeted, accounted for, and reported in the general fund.	5.		x
6. District officials should review the indirect cost rate application to determine if the expenditure data contained therein could be reclassified to increase the indirect cost rate for federally funded special aid programs.	6.		x
7. District officials should revise their report of anticipated cash flow to include all significant special aid program activities and provide for the distribution of this report to the city comptroller's investment officer.	7.	x	

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B. Accounting for Attendance

1. Teachers and students should be required to comply with all policies relating to the district's attendance program. Procedures for making the initial recording entries should be standardized throughout the district. In addition, any change in attendance status should be completely documented so that all entries to the attendance data file are supported by records in the schools.	1.	x	
2. Instructions for recording attendance data using traveler cards should be amended to require that all original entries be retained, and not subsequently erased when corrections need to be made. All corrections should be recorded in a way that provides a verification trail.	2.		x
3. Controls should be established to limit the access to, and use of, information contained in the attendance data file.	3.		x
4. The district should consider alternatives to purchasing computerized attendance services from the New York State (NYS) Regional Information Center.	4.	x	
5. The applicable provisions of the Education Law regarding the of students from active enrollment should be complied with to insure that all pupils in the district are encouraged to attend school, and that they and their parents are aware of their right to an education.	5.	x	
6. Procedures for accounting for enrollment and attendance should clear and district personnel should be familiar with them. The Director of Attendance should provide for periodic monitorship for compliance with the procedures. There should be compliance with the specific guidelines for for accounting for students who do not attend the district schools where they are initially enrolled. Any indicated changes in staffing levels and/or reported attendance statistics should be made promptly.	6.		x
7. Attendance records should clearly indicate whether reported absences were legal as defined by the Education law.	7.		x

C. Personal Services Appropriation Control

1. School district officials should require the encumbrance of personal service appropriations to accurately anticipate and quantify potential overexpenditures and/or underexpenditures of appropriations.	1.	x	
2. District officials should develop and implement procedures to ensure that all payroll charges have been assigned a valid appropriation account code.	2.		x
3. Personal service expenditures should be closely monitored to prevent significant overexpenditures or underexpenditures of appropriations from occurring. Status reports of projected appropriation balances should be prepared at least quarterly and possibly more often as the fiscal year end approaches. Once potential budget variances are detected, district officials should plan and implement corrective action in a timely manner.	3.		x
4. District officials should adopt written guidelines to be followed when budgeting for instructional division staffing costs, when changes are proposed to instructional division staffing levels during the course of the fiscal year, and when personal services costs are reallocated from one appropriation account to another.	4.		x
5. District officials should develop an integrated data processing system to ensure that classroom related personnel service costs are charged to the correct fund and appropriation in the district's accounting records and to allow district officials to better monitor personal service expenditures.	5.		x

APPENDIX C

APPENDIX C

BUFFALO PUBLIC SCHOOLS
AVERAGE COMPENSATION PER BARGAINING UNIT
1994-95 SCHOOL YEAR

	BTF	BCSA	BEST	PCTEA	264	409	TOTAL/ AVERAGE
CONTRACT SETTLED THROUGH FY:	95-96	94-95	91-92	95-96	94-95	90-91	
ANNUAL EMPLOYEES	4,025	235	1,251	511	202	73	6,297
AVG. ANNUAL SALARY	$45,299	$66,726	$11,631	$27,838	$25,723	$30,633	37,195
AVG COMMITTEE/COACH/SUMMER PAY*	$763	$944	NA	NA	NA	NA	
OVERTIME	NA*	NA*	NA	$500	$1,830	$70	
AVG LONGEVITY PAY	NA**	NA**	$222	$222	$222	$222	
AVG SICK LEAVE BUY BACK	$228	$228	$29	$29	$29	$29	
AVG ATTENDANCE PAY	NA	NA	$40	$97	$55	$32	
TOOL/UNIFORM/SHOE	NA	NA	NA	$82	$82	$82	
AVG TRAVEL/MILEAGE ALLOWANCE	$98	$98	NA	$98	$98	$98	
CASH FRINGE	$1,089	$1,270	$291	$1,028	$2,316	$533	$965
TOTAL CASH COMPENSATION	$46,388	$67,996	$11,922	$28,866	$28,039	$31,166	$38,160
PENSION RATE	7.24%	7.24%	7.24%	1.90%	1.90%	1.90%	
PENSION COST	$3,280	$4,831	$842	$529	$489	$582	$2,509
SOCIAL SECURITY	$3,465	$5,105	$890	$2,130	$1,968	$2,343	$2,845
MEDICAL INSURANCE	$4,084	$4,084	$4,084	$4,084	$4,084	$4,084	$4,084
SUPPLEMENTAL BEN	$440	$440	$295	$400	$264	$290	$401
LIFE INSURANCE	$33	$33	$21	$37	$33	$33	$31
DISABILITY	$7	$7	NA	NA	NA	NA	
WORKERS COMP	$499	$499	$499	$499	$499	$499	$499
TOTAL NON-CASH	$11,808	$14,999	$6,631	$7,679	$7,337	$7,831	$10,374
TOTAL COMPENSATION	$58,196	$82,995	$18,553	$36,545	$35,376	$38,997	$48,534
%BENEFITS/SALARY	28.5%	24.4%	59.5%	31.3%	37.5%	27.3%	30.5%

*Overtime included in AVG COMMITTEE/COACH/SUMMER.
**Longevity included in AVERAGE ANNUAL SALARY.
Note: Excludes TAB & SUB.